

Board of Directors

Chairman

Yogesh Chander Deveshwar

Executive Directors

Nakul Anand

Pradeep Vasant Dhobale

Kurush Noshir Grant

Non-Executive Directors

Anil Baijal

Angara Venkata Girija Kumar

Serajul Haq Khan

Robert Earl Lerwill

Suryakant Balkrishna Mainak

Sunil Behari Mathur

Pillappakkam Bahukutumbi Ramanujam

Sahibzada Syed Habib-ur-Rehman

Anthony Ruys

Meera Shankar

Krishnamoorthy Vaidyanath

Board Committees

Audit Committee

S B Mathur	Chairman
A Baijal	Member
P B Ramanujam	Member
K Vaidyanath	Member
P V Dhobale	Invitee
R Tandon	Invitee
R Parasuram	Invitee
(Head of Internal Audit)	
Representative of the Statutory Auditors	Invitee
B B Chatterjee	Secretary

CSR and Sustainability Committee

Y C Deveshwar	Chairman
A V Girija Kumar	Member
R E Lerwill	Member
S B Mainak	Member
A Ruys	Member
M Shankar	Member
B B Chatterjee	Secretary

Nomination & Compensation Committee

S H Khan	Chairman
Y C Deveshwar	Member
S S H Rehman	Member
M Shankar	Member
K Vaidyanath	Member

Stakeholders Relationship Committee

A V Girija Kumar	Chairman
K N Grant	Member
K Vaidyanath	Member
B B Chatterjee	Secretary

Independent Directors Committee

A Baijal	Member
S H Khan	Member
S B Mathur	Member
P B Ramanujam	Member
S S H Rehman	Member
M Shankar	Member

Corporate Management Committee

Executive Directors

Y C Deveshwar	Chairman
N Anand	Member
P V Dhobale	Member
K N Grant	Member

Executives

A Nayak	Member
T V Ramaswamy	Member
S Sivakumar	Member
K S Suresh	Member
R Tandon	Member
B B Chatterjee	Member & Secretary

Chief Financial Officer

Rajiv Tandon

Executive Vice President & Company Secretary

Biswa Behari Chatterjee

General Counsel

Kannadiputhur Sundararaman Suresh

Investor Service Centre

37 Jawaharlal Nehru Road, Kolkata 700 071, India

Phone : 033-2288 6426/0034

Fax : 033-2288 2358

e-mail : isc@itc.in

Auditors

Deloitte Haskins & Sells

Chartered Accountants, Kolkata

Registered Office

Virginia House

37 Jawaharlal Nehru Road, Kolkata 700 071, India

Phone : 033-2288 9371

CIN : L16005WB1910PLC001985

ITC Corporate Website : www.itcportal.com

Your Directors

Y. C. Deveshwar

Y. C. Deveshwar (67), DIN:00044171, joined ITC in 1968 and is an alumnus of the Indian Institute of Technology, Delhi and Harvard Business School. He was appointed as a Director on the Board of the Company in 1984 and became the Chief Executive and Chairman of the Board on January 1, 1996. Between 1991 and 1994, he led Air India as Chairman and Managing Director.

Under his leadership, ITC's sustainability initiatives were given shape by fashioning corporate strategies that not only enhance shareholder value but add significantly to the development of natural and social capital. ITC is a global exemplar in sustainable business practices. It is the only company in the world, of comparable dimensions to be 'carbon positive', 'water positive' and 'solid waste recycling' positive. The Company's businesses generate livelihoods for over 5 million people, many of whom represent the poorest in Rural India. The pioneering farmer empowerment initiative, ITC e-Choupal, is today the world's largest rural digital infrastructure and is a case study at the Harvard Business School. This initiative has received several global awards including the inaugural World Business Award instituted by the United Nations Development Program (UNDP), International Chamber of Commerce (ICC) and the HRH Prince of Wales International Business Leaders Forum. ITC was also conferred the World Business and Development Award 2012 at the Rio+20 United Nations Summit by the UNDP, ICC and the International Business Leaders Forum for its Social and Farm Forestry Programmes.

Deveshwar is a Director on the Central Board of the Reserve Bank of India. He is a Member of the National Integration Council, the Board of Trade, the National Manufacturing Competitiveness Council and the Committee for Reforming the Regulatory Environment for Doing Business in India constituted by the Government of India. He is also a member of the Board of Governors of the

Indian School of Business and a former Chairman of the Society and Board of Governors of the Indian Institute of Management, Calcutta. He serves on the National Executive Committees of some of India's premier trade and industry bodies, and is a member of the UK-India CEOs Forum instituted by the Governments of India and the United Kingdom. Deveshwar is a Past President of the Confederation of Indian Industry (CII).

In 2011, Deveshwar was conferred the Padma Bhushan, one of the highest civilian awards in the country, by the Government of India. He has been ranked as the 7th Best Performing CEO in the world by the Harvard Business Review in 2013. Deveshwar was conferred the Global Leadership Award by the US-India Business Council of the US Chamber of Commerce in 2010, the Business Leader of the Year Award by the All India Management Association in 2012, the Business Person of the Year Award 2006 by the UK Trade & Investment which was presented by His Royal Highness Prince Andrew, the Duke of York, and the Sustainability Leadership Award 2007 at the International Sustainability Leadership Symposium, Zurich. He was inducted to the prestigious Hall of Pride at the Indian Science Congress in 2006. Earlier, he was also named Manager Entrepreneur of the Year 2001 by Ernst & Young.

Other Directorships

Name of the Company	Position
ITC Infotech India Limited	Chairman & Non-Executive Director
ITC Infotech Limited, UK*	Chairman & Non-Executive Director
ITC Infotech (USA), Inc.*	Chairman & Non-Executive Director
Surya Nepal Private Limited*	Chairman & Non-Executive Director

Committee Membership of other Companies: Nil

N. Anand

Nakul Anand (57), DIN:00022279, was appointed a Director on the Board of ITC effective January 3, 2011. He holds responsibility for the Hospitality, Travel & Tourism businesses of ITC. An Economics Honours graduate from Delhi University with an AMP degree from Bond University, Australia, he joined ITC Hotels' Management Training Programme in 1978 and also served as the Managing Director of erstwhile ITC Hotels Limited during the period 2003-05.

In a career that spans over three decades, Anand has been acknowledged for his vision and commitment. Leveraging the significant learning of sustainable excellence within ITC, he led the team at ITC Hotels to pioneer the concept of 'Responsible Luxury' in the hospitality industry, securing LEED Platinum certifications for all ITC super premium luxury hotels, making it the 'Greenest Luxury Hotel Chain in the world'. He has formulated value-based strategies to create a unique quality control model. His dynamic leadership and passion for the business is recognised and acknowledged by his peers. He is the Chairman of the CII National Tourism Committee as well as of the Federation of Associations in Indian Tourism & Hospitality. Anand is immediate past President of the Hotel Association of India.

Other Directorships

Name of the Company	Position
International Travel House Limited	Chairman & Non-Executive Director
Gujarat Hotels Limited	Chairman & Non-Executive Director
Landbase India Limited	Chairman & Non-Executive Director
Fortune Park Hotels Limited	Chairman & Non-Executive Director
Srinivasa Resorts Limited	Vice-Chairman & Non-Executive Director
Bay Islands Hotels Limited	Non-Executive Director
Maharaja Heritage Resorts Limited	Non-Executive Director
Adyar Gate Hotels Limited	Non-Executive Director

Committee Membership of other Companies

Name of the Company	Committee	Position
Landbase India Limited	Audit Committee	Member

P. V. Dhobale

P. V. Dhobale (58), DIN:00274636, was appointed a Director on the Board of ITC effective January 3, 2011. He holds responsibility for the Paperboards & Specialty Papers and Packaging businesses of ITC and also represents the Finance and IT functions on the Board. A Chemical Engineer from the Indian Institute of Technology, Mumbai, he joined erstwhile ITC Bhadrachalam Paperboards Limited (ITC Bhadrachalam) as a Management Trainee in 1977 and became its Managing Director in 2000. Following the amalgamation of ITC Bhadrachalam with ITC in March 2002, and subsequent integration of Bhadrachalam Paperboards Division with Tribeni Tissues Division, Dhobale took charge of the Paperboards & Specialty Papers Business as its Divisional Chief Executive.

Dhobale is credited with the successful turnaround of ITC Bhadrachalam in 2001, and exponential growth thereafter. He spearheaded the growth involving capital infusion of over US\$ 500 million through brownfield organic growth as well as acquisitions. Under his leadership, ITC's Bhadrachalam Mill has emerged as the largest single-location paper mill in the country producing more than half a million tonnes of papers & boards. Under his stewardship, and in line with ITC's sustainability strategy, over 1,60,000 hectares of plantations were developed, the pioneering ECF and Ozone Bleaching Technology were introduced, ITC became a member of the Global Forest and Trade Network and successfully implemented a number of 'Clean Development Mechanism' Projects.

Dhobale is an active member of several industry bodies. He is the past President of Indian Paper Manufacturers Association, past Chairman of the Andhra Pradesh State Council of CII, and is the Co-Chairman, Environment Panel of CII National Council. Dhobale is also the founder President of Indian School of Business - Centre for Executive Education Alumni Association, Hyderabad

Your Directors

Chapter. Amongst others, he is a Member of the Development Council for Pulp, Paper & Allied Industries.

Dhobale does not hold directorship of any other company.

K. N. Grant

Kurush N. Grant (56), DIN:00336288, was appointed a Director on the Board of ITC effective March 20, 2010. He holds responsibility for ITC's FMCG businesses. After completing his MBA in 1979, he worked with DCM as a Management Trainee before joining ITC in 1980 in the Marketing function.

During his tenure in the Company, he has handled a wide range of responsibilities in Sales, Brand Management and Product Development. He was Executive Vice President - Marketing of the Tobacco Division before becoming Divisional Chief Executive in 1999. He has been involved in the incubation and development of ITC's new initiatives in the FMCG sector.

Grant is a Member of the Executive Committee of the Indian Chamber of Commerce Calcutta and the Executive Council of the Indian Society of Advertisers. He also chairs the FMCG Committees of some of India's premier trade & industry bodies. He is a past Chairman of CII - Eastern Region, Indian Society of Advertisers, the National Readership Studies Council as well as the Audit Bureau of Circulations, India.

Other Directorships

Name of the Company	Position
Wimco Limited	Chairman & Non-Executive Director
Surya Nepal Private Limited*	Non-Executive Director
King Maker Marketing Inc., USA*	Non-Executive Director
The Tollygunge Club Limited	Vice President, General Committee

Committee Membership of other Companies

Name of the Company	Committee	Position
Wimco Limited	Audit Committee	Member

Anil Baijal

Anil Baijal (67), DIN:01608892, joined the ITC Board as a Non-Executive Independent Director on January 22, 2010. Prior to this, he represented the Specified Undertaking of the Unit Trust of India on the ITC Board from July 2007 to August 2009.

Baijal joined the Union Territories Cadre of Indian Administrative Service in 1969 and retired in October 2006 as Secretary, Ministry of Urban Development, Government of India. In a career spanning over 37 years, he held various important assignments including that of the Union Home Secretary, Chairman & Managing Director - Indian Airlines, Chief Executive Officer - Prasar Bharti Corporation, Vice-Chairman - Delhi Development Authority, Development Commissioner, Goa, and Counsellor in-charge of the Indian Aid Programme in Nepal. He piloted the flagship programme - Jawaharlal Nehru Urban Renewal Mission - for improving infrastructure and basic services in the country. Currently, Baijal is a Senior Advisor to IDFC Limited.

Other Directorships

Name of the Company	Position
IDFC Foundation	Chairman & Non-Executive Director
International Travel House Limited	Non-Executive Director
DHFL Pramerica Life Insurance Company Limited	Non-Executive Director

Committee Membership of other Companies

Name of the Company	Committee	Position
DHFL Pramerica Life Insurance Company Limited	Audit & Compliance Committee	Chairman

A. V. Girija Kumar

A. V. Girija Kumar (54), DIN:02921377, joined the ITC Board as a representative of the General Insurers' (Public Sector) Association of India on March 19, 2010. He holds a Masters degree in Business Administration from Jawaharlal Nehru Technological University.

In a career spanning over 32 years, Girija Kumar was with The New India Assurance Company Limited (New India). In New India, he worked at many centres across India, holding various positions including that of Divisional Manager, Senior Divisional Manager and Regional Chief before moving to the Corporate Office in Mumbai as Deputy General Manager overseeing techno-marketing, foreign business development and investments.

On secondment, Girija Kumar was posted as General Manager (Non-Life) - Saudi Indian Company for Cooperative Insurance in Saudi Arabia. His responsibilities included facilitating an IPO to raise capital and completing the legal formation of the company in the Kingdom of Saudi Arabia. He joined National Insurance Company Limited (NIC) as a General Manager in 2009 and is currently the Officiating Chairman-cum-Managing Director of NIC. He does not hold committee membership of any other company.

S. H. Khan

S. H. Khan (75), DIN:00006170, joined the ITC Board as a Non-Executive Independent Director on October 30, 2006. Khan is a former Chairman and Managing Director of Industrial Development Bank of India (IDBI). He holds a Masters degree in Commerce and is a University gold medalist.

The professional career of Khan, spanning over 35 years, includes initial 5 years as an Officer in RBI in the Department of Banking Operations and Development. He thereafter joined IDBI soon after its formation. He served IDBI in various capacities for over three decades and retired after a five-year tenure as its Chairman and Managing Director in 1998. By virtue of his long association with IDBI, he possesses deep knowledge of Indian industry and finance. During his tenure as Chairman, IDBI witnessed unprecedented growth in its operations and profits. He was instrumental in setting up IDBI Bank as commercial bank, which later got merged with IDBI.

He was also associated with setting up of three important capital market entities viz. NSE, NSDL and CARE and guided their initial operations as Chairman of the Board of Directors. He has served as a member of a number of committees set up by Government / RBI on matters connected with Indian industry and finance. He also served on the Boards of several important institutions including LIC, UTI, GIC, Exim Bank, Air India and Indian Airlines.

Currently, Khan is on the Boards of several companies as Independent Director.

Other Directorships

Name of the Company	Position
Bajaj Auto Limited	Non-Executive Director
IDFC Limited	Non-Executive Director
Bajaj Allianz Life Insurance Company Limited	Non-Executive Director
Bajaj Holdings & Investment Limited	Non-Executive Director
Bajaj Finserv Limited	Non-Executive Director
Bajaj Allianz General Insurance Company Limited	Non-Executive Director

Your Directors

Committee Membership of other Companies

Name of the Company	Committee	Position
IDFC Limited	Audit Committee	Chairman
	Investors' Grievance Committee	Chairman
Bajaj Allianz Life Insurance Company Limited	Audit Committee	Chairman
Bajaj Allianz General Insurance Company Limited	Audit Committee	Chairman
Bajaj Auto Limited	Audit Committee	Member
	Shareholders' / Investors' Grievance Committee	Member
Bajaj Finserv Limited	Audit Committee	Member
Bajaj Holdings & Investment Limited	Audit Committee	Member
	Shareholders' / Investors' Grievance Committee	Member

R. E. Lerwill

R. E. Lerwill (62), DIN:06739219, joined the ITC Board as a representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c. (BAT), the ultimate holding company, with effect from November 18, 2013. Lerwill attended Nottingham University before qualifying as a Chartered Accountant. He later completed the Harvard Business School Advanced Management Program.

Lerwill was on the Board of BAT as a Non-Executive Director from January 2005 to April 2013 where he was Chairman of the Audit Committee and also a member of the Nominations and Remuneration Committees. Until June 2003, Lerwill was an Executive Director of Cable and Wireless plc where he served as Finance Director between 1997 and 2002 and Chief Executive of Cable and Wireless Regional between 2000 and 2003.

From 1986 to 1996 he was Group Finance Director of WPP Group plc. In both companies, he was instrumental in developing and managing major international businesses. Lerwill was Chief Executive Officer of Aegis Group plc from February 2005 to November 2008. He was Chairman of Synergy Health plc until June 2012.

Lerwill does not hold directorship of any other company.

S. B. Mainak

S. B. Mainak (58), DIN:02531129, joined the ITC Board as an Additional Non-Executive Director effective April 25, 2014, representing LIC. A qualified Chartered Accountant, he joined LIC as a Direct Recruit Officer in 1983 and is currently a Managing Director. Prior to this, he was Executive Director (Investment Operations) managing LIC's funds of more than ₹ 14 lakh crores. During his long tenure at LIC, he has contributed to several functions including Finance and Accounts, Marketing and Investments.

Mainak also had a stint in academics as Professor (Life Insurance) and Head of Finance Department in National Insurance Academy (NIA), Pune, where he was instrumental in creating new teaching programmes in finance and investment. He also spearheaded the setting up of the LIC Pension Fund Company Pvt. Limited.

Mainak is a Member of Governing Board of NIA and is the Deputy President of Insurance Institute of India. He was conferred the 'NDTV Profit Business Leadership Award', 'CNN-IBN Indian of the Year Award' and 'Dataquest IT Persons of the Year' Award in 2009.

Other Directorships

Name of the Company	Position
National Stock Exchange of India Limited	Non-Executive Director
Mahindra and Mahindra Limited	Non-Executive Director
LIC Cards Services Limited	Non-Executive Director
LIC (Nepal) Limited*	Non-Executive Director

Committee Membership of other Companies: Nil

S. B. Mathur

S. B. Mathur (69), DIN:00013239, has been on the ITC Board since July 29, 2005, first as a representative of LIC and then in his individual capacity as a Non-Executive Independent Director.

A qualified Chartered Accountant, Mathur retired from LIC in October 2004 as its Chairman. Subsequently, the Government of India appointed him the Administrator of the Specified Undertaking of the Unit Trust of India in December 2004, up to December 2007.

Mathur took over as Chairman of LIC at a time when the insurance sector had just opened up. Under his leadership, LIC successfully rose to the challenges of a competitive environment by enhancing product offerings. He joined LIC in 1967 as a Direct Recruit Officer and rose to the rank of Chairman. He held various positions in LIC including Senior Divisional Manager of Gwalior Division, Chief of Corporate Planning, General Manager of LIC (International) E.C., Zonal Manager in-charge of Western Zone and Executive Director.

Other Directorships

Name of the Company	Position
National Stock Exchange of India Limited	Chairman & Non-Executive Director
IDFC Trustee Company Limited	Chairman & Non-Executive Director
Cholamandalam MS General Insurance Company Limited	Chairman & Non-Executive Director
Axis Bank Limited	Non-Executive Director
Havells India Limited	Non-Executive Director
UltraTech Cement Limited	Non-Executive Director
Hindustan Oil Exploration Company Limited	Non-Executive Director
National Collateral Management Services Limited	Non-Executive Director
DCM Shriram Industries Limited	Non-Executive Director
Infrastructure Leasing and Financial Services Limited	Non-Executive Director
Housing Development and Infrastructure Limited	Non-Executive Director
Minda Corporation Limited	Non-Executive Director

Committee Membership of other Companies

Name of the Company	Committee	Position
National Stock Exchange of India Limited	Share Transfer & Shareholders Grievance Committee	Member
Axis Bank Limited	Audit Committee	Chairman
	Shareholders/ Investors Grievance Committee	Member
Havells India Limited	Audit Committee	Member
Cholamandalam MS General Insurance Company Limited	Audit Committee	Chairman
Hindustan Oil Exploration Company Limited	Audit Committee	Chairman
DCM Shriram Industries Limited	Audit Committee	Member
Minda Corporation Limited	Audit Committee	Member

P. B. Ramanujam

P. B. Ramanujam (69), DIN:00046101, has been on the Board of ITC since October 30, 1998, first as a representative of GIC and its erstwhile subsidiaries and then in his individual capacity as a Non-Executive Independent Director.

A qualified Chartered Accountant, Ramanujam has held several responsibilities in GIC covering finance, accounts, investments, reinsurance, information technology etc. He was General Manager and Director with NIC, and the Managing Director of GIC till July 31, 2004.

Ramanujam has served as a faculty member at NIA. He was also the Chairman of the Committee appointed by the interim Insurance Regulatory Authority (IRA) for

Your Directors

prescribing norms, rules and regulations in the area of finance. He has also been a member of three other IRA Committees on technical issues, investment matters and insurance regulatory information system. He was a member of FICCI's Reinsurance sub-Committee, the Insurance Tariff Advisory Committee and the Advisory Committee on Finance of the Insurance Regulatory and Development Authority (IRDA). Currently he is a member of IRDA's Committee for recommending regulatory changes with regard to capital structure, IPOs, mergers & acquisitions etc. of insurance companies.

Ramanujam does not hold directorship of any other company.

S. S. H. Rehman

S. S. H. Rehman (70), DIN:00050862, was appointed as a Non-Executive Independent Director on the Board of ITC effective July 27, 2012. Rehman's illustrious career began with a tenure in the Indian Army after he graduated from the Indian Military Academy in Dehradun. He moved to the hospitality industry in 1975 and joined ITC in 1979, beginning a three decade association with the Company.

Rehman was appointed Managing Director of erstwhile ITC Hotels Limited in 1994. Subsequently, he joined the Board of ITC as an Executive Director in 1997, and over the next 12 years was responsible for several businesses - Hotels, Travel & Tourism and Foods. During this period, he ably led ITC's Hotels business in consolidating its position as one of India's leading hospitality chains.

Rehman was the founder President of the Hotel Association of India, and a founder member of the World Travel & Tourism Council, Experience India / Incredible India and has headed several industry associations including tourism committees of FICCI, ASSOCHAM and CII. Rehman has been a recipient of several awards and honours, recognising his vast contribution to Indian hospitality industry.

Rehman does not hold directorship of any other company.

Anthony Ruys

Anthony Ruys (66), DIN:02460407, joined the ITC Board as a representative of Tobacco Manufacturers (India) Limited, a subsidiary of BAT, the ultimate holding company, on January 20, 2009. He holds a degree in commercial law from the University of Utrecht and a Masters degree from the Harvard Business School.

Ruys commenced his career with Unilever in 1974. During his long tenure with Unilever, he served at various senior positions, including that of marketing director and chairman of various subsidiary companies in Netherlands, Colombia and Italy. In 1993, he joined Heineken as a member of its Executive Board, became Vice-Chairman in 1996 & Chairman in 2002 and remained in that position till 2005. In March 2006, he was appointed to the Board of BAT as a Non-Executive Director. Currently, Ruys also serves as Chairman on the Board of Trustees of Aids Foundation and Madurodam (Miniature City).

Other Directorships

Name of the Company	Position
Schiphol Group NV, Netherlands (Int. Airport)*	Chairman & Non-Executive Director
British American Tobacco p.l.c., UK*	Non-Executive Director
Janivo Holdings BV, Netherlands*	Non-Executive Director

Committee Membership of other Companies: Nil

Meera Shankar

Meera Shankar (63), DIN:06374957, was appointed as a Non-Executive Independent Director on the Board of ITC effective September 6, 2012.

A Post Graduate in English Literature, she joined the Indian Foreign Service in 1973 and had an illustrious career spanning 38 years. She served in the Prime

Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked on Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association of Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and international security issues.

She served as Ambassador of India to Germany from 2005 to 2009 and then to the United States from 2009 to 2011. She does not hold directorship of any other company.

K. Vaidyanath

K. Vaidyanath (64), DIN:00044357, was appointed as a Non-Executive Director on the Board of ITC effective January 3, 2011. Prior to this appointment, he was an Executive Director on the ITC Board for 10 years from January 2001, responsible for the Company's Finance, IT, Internal Audit and Corporate Communication functions, its investment subsidiary, its Paperboards & Specialty Papers, Packaging and Information Technology businesses.

Before his elevation to the Board as an Executive Director, Vaidyanath was the Company's Chief Financial Officer. An MBA from XLRI, Jamshedpur, in his 35-year tenure with ITC, he held various positions in the Company's Finance function. He has been a recipient of the 'Best CFO' Award from Business Today and the 'Best CFO in the FMCG category' Award from CNBC-TV18.

Vaidyanath does not hold directorship of any other company.

Notes:

1. Other Directorships and Committee Memberships of Directors are as on 31st March, 2014.
 2. Other Directorships exclude Directorship in Indian Private Limited Companies and Membership of Managing Committees of Chambers of Commerce/ Professional Bodies.
 3. Committee Memberships are in respect of Audit Committee and / or Investors Grievance Committee of Indian Public Limited Companies.
- * Denotes Foreign Company

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchanges.

ITC Limited has been one of the frontrunners in India to have put in place a formalised system of Corporate Governance. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

THE COMPANY'S GOVERNANCE PHILOSOPHY

ITC defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, ITC believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line", namely the conservation and development of the nation's economic, social and environmental capital.

ITC's Corporate Governance structure, systems and processes are based on two core principles:

- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- (ii) This freedom of management should be exercised within a framework of effective accountability.

ITC believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

From this definition and core principles of Corporate Governance emerge the cornerstones of ITC's governance philosophy, namely trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. ITC believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

Trusteeship recognises that large corporations, which represent a coalition of interests, namely those of the shareholders, other providers of capital, business associates and employees, have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholder value, as well as fulfil obligations to other stakeholders. Inherent in the concept of trusteeship is the responsibility to ensure equity, namely, that the rights of all shareholders, large or small, are protected.

Transparency means explaining the Company's policies and actions to those to whom it has responsibilities. Externally, this means maximum appropriate disclosures without jeopardising the Company's strategic interests and internally, this means openness in the Company's relationship with its employees and in the conduct of its business. ITC believes transparency enhances accountability.

Ethical Corporate Citizenship means setting exemplary standards of ethical behaviour, both internally within the organisation, as well as in external relationships. ITC believes that unethical behaviour corrupts organisational culture and undermines stakeholder value. Governance processes in ITC continuously reinforce and help realise the Company's belief in ethical corporate citizenship.

Empowerment is a process of unleashing creativity and innovation throughout the organisation by truly vesting decision-making powers at the most appropriate levels and as close to the scene of action as feasible, thereby helping actualise the potential of its employees. Empowerment is an essential concomitant of ITC's first core principle of governance that management must have the freedom to drive the enterprise forward. ITC believes that empowerment combined with accountability provides an impetus to performance and improves effectiveness, thereby enhancing shareholder value.

Control ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely management of change and ensure effective management of risks. ITC believes that control is

The cornerstones of ITC's governance philosophy are trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability.

Report on Corporate Governance

a necessary concomitant of its second core principle of governance that the freedom of management should be exercised within a framework of appropriate checks and balances.

THE GOVERNANCE STRUCTURE

The practice of Corporate Governance in ITC takes place at three interlinked levels:

Strategic supervision	by the Board of Directors
Strategic management	by the Corporate Management Committee
Executive management	by the Divisional / Strategic Business Unit (SBU) Chief Executive assisted by the respective Divisional / SBU Management Committee

The three-tier governance structure ensures that:

- Strategic supervision (on behalf of the shareholders), being free from involvement in the task of strategic management of the Company, can be conducted by the Board with objectivity, thereby sharpening accountability of management;
- Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised; and
- Executive management of a Division or SBU, free from collective strategic responsibilities for ITC as a whole, focuses on enhancing the quality, efficiency and effectiveness of the business.

The core roles of the key entities flow from this structure. The core roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities, each entity is empowered formally with requisite powers.

The structure, processes and practices of governance are designed to support effective management of multiple businesses while retaining focus on each one of them.

The Governance Document that sets out the structure, policies and practices of governance within the organisation is available on the Company's corporate website www.itcportal.com for general information.

ROLES OF VARIOUS ENTITIES

Board of Directors (Board): The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of ITC, its wholly owned subsidiaries and their wholly owned

subsidiaries. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, also periodically reviews its role.

Corporate Management Committee (CMC): The primary role of the CMC is strategic management of the Company's businesses within Board approved direction / framework. The CMC operates under the strategic supervision and control of the Board.

Chairman: The Chairman is the Chief Executive of the Company. He is the Chairman of the Board and the CMC. His primary role is to provide leadership to the Board and the CMC for realising Company goals in accordance with the charter approved by the Board. He is responsible, inter alia, for the working of the Board and the CMC, for ensuring that all relevant issues are on the agenda and for ensuring that all Directors and CMC members are enabled and encouraged to play a full part in the activities of the Board and the CMC, respectively. He keeps the Board informed on all matters of importance. He is also responsible for the balance of membership of the Board, subject to Board and Shareholder approvals. He presides over General Meetings of Shareholders.

Divisional Management Committee (DMC) / SBU Management Committee (SBU MC): The primary role of the DMC / SBU MC is executive management of the Divisional / SBU business to realise tactical and strategic objectives in accordance with Board approved plan.

Executive Director: The Executive Directors, as members of the CMC, contribute to the strategic management of the Company's businesses within Board approved direction / framework. Executive Directors assume overall responsibility for the strategic management including governance processes and top management effectiveness for businesses / functions reporting to them. In the context of the multi-business character of the Company, an Executive Director is in the nature of a Managing Director for those businesses and functions reporting to him. As an Executive Director accountable to the Board for a wholly owned subsidiary or its wholly owned subsidiary, he acts as the custodian of ITC's interests and is responsible for its governance in accordance with the charter approved by the Board.

Report on Corporate Governance

Non-Executive Director: Non-Executive Directors, including Independent Directors, play a critical role in imparting balance to the Board processes by bringing an independent judgement on issues of strategy, performance, resources, standards of Company conduct etc.

Divisional / SBU Chief Executive Officer (CEO): The Divisional / SBU CEO for a business has the overall executive responsibility for its day-to-day operations and provides leadership to the DMC / SBU MC in its task of executive management of the business.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. Executive Directors, including the Chairman, do not generally exceed one-third of the total strength of the Board.

The Governance Policy requires that the Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business / finance / law / public administration and enterprises. Directors are appointed / re-appointed with the approval of the Shareholders for a period of three to five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time. The initial appointment of Executive Directors is normally for a period of three years. All Directors are liable to retire by rotation unless otherwise approved by the Shareholders or provided under any statute. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election. In terms of the Articles of Association of the Company, the strength of the Board shall not be fewer than five nor more than eighteen. The present strength of the Board is fifteen, of which four are Executive Directors.

Composition of the Board as on 31st March, 2014:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	4	29
Non-Executive Independent Directors	7	50
Other Non-Executive Directors	3	21
Total	14	100

Director	Category	No. of other Directorship(s) ¹	No. of Membership(s) [including Chairmanship(s)] of Board Committees of other companies ²
----------	----------	-------------------------------------------	------------------------------------------------------------------------------------------------------

Executive Directors

Y. C. Deveshwar	Chairman	1	Nil
N. Anand		8	1
P. V. Dhobale		Nil	Nil
K. N. Grant		2	1

Non-Executive Directors

A. Bajjal	Independent Director	3	1 [as Chairman]
S. H. Khan	Independent Director	6	9 [including 4 as Chairman]
S. B. Mathur	Independent Director	12	8 [including 3 as Chairman]
P. B. Ramanujam	Independent Director	Nil	Nil
S. S. H. Rehman	Independent Director	Nil	Nil
M. Shankar	Independent Director	Nil	Nil
A. V. Girija Kumar	Independent Director - Representative of General Insurers' (Public Sector) Association of India as Investor	1	Nil
R. E. Lervill	Representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company	Nil	Nil
A. Ruys	Representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company	Nil	Nil
K. Vaidyanath		Nil	Nil

1. Excludes Directorship in Indian Private Limited Companies & Foreign Companies and Membership of Managing Committees of Chambers of Commerce / Professional Bodies.
2. Denotes Membership / Chairmanship of Audit Committee and / or Investors Grievance Committee of Indian Public Limited Companies.

Meetings and Attendance

The Company's Governance Policy requires the Board to meet at least six times in a year. The intervening period between two Board meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement with Stock Exchanges. The annual calendar of meetings is broadly determined at the beginning of each year.

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated at least seven days prior to the Board meeting.

Information placed before the Board

In addition to matters required to be placed before the Board under the Governance Policy of the Company, the following are also tabled for the Board's periodic review / information / approval:

- Internal Audit findings and External Audit Management Reports (through the Audit Committee).
- Status of safety and legal compliance.
- Risk management processes.
- Succession to senior management (through the Nomination & Compensation Committee).
- Show Cause, demand, prosecution and adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's net worth, and their outcome.
- Significant court judgement or order passing strictures, if any, on the conduct of the Company or a subsidiary

of the Company or any employee, which could negatively impact the Company's image.

- Product liability claims of a substantial nature, if any.
- Default, if any, in payment of dues to any major creditor.
- Write-offs / disposals (fixed assets, inventories, receivables, advances etc.) on a half-yearly basis.
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including Clause 49 of the Listing Agreement with Stock Exchanges.

Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board, the Board Committees, the CMC and the Divisional / SBU Management Committees.

Details of Board Meetings during the financial year

During the financial year ended 31st March, 2014, six meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	17th May, 2013	18	15
2	25th July, 2013	18	17
3	26th July, 2013	18	17
4	28th August, 2013	15	13
5	25th October, 2013	15	15
6	17th January, 2014	15	14

Inherent in the concept of trusteeship is the responsibility to ensure equity, namely, that the rights of all shareholders, large or small, are protected.

Report on Corporate Governance

Attendance at Board Meetings and at Annual General Meeting (AGM) during the financial year

Director	No. of Board meetings attended	Attendance at last AGM
Y. C. Deveshwar	6	Yes
N. Anand	6	Yes
P. V. Dhobale	6	Yes
K. N. Grant	6	Yes
A. Baijal	6	Yes
S. Banerjee ¹	5	Yes
A. V. Girija Kumar	6	Yes
S. H. Khan	6	Yes
R. E. Lerwill ²	Nil	NA
S. B. Mathur	6	Yes
D. K. Mehrotra ³	2	No
H. G. Powell ⁴	3	Yes
P. B. Ramanujam	6	Yes
S. S. H. Rehman	6	Yes
A. Ruys	5	Yes
B. Sen ⁵	2	Yes
M. Shankar	6	Yes
K. Vaidyanath	5	Yes
B. Vijayaraghavan ⁵	3	Yes

1. Ceased to be Non-Executive Director w.e.f. 26th March, 2014.

2. Appointed Non-Executive Director w.e.f. 18th November, 2013.

3. Ceased to be Non-Executive Director w.e.f. 27th October, 2013.

4. Ceased to be Non-Executive Director w.e.f. 30th July, 2013.

5. Ceased to be Non-Executive Director w.e.f. 27th August, 2013.

COMMITTEES OF THE BOARD

During the financial year 2013-14, there were five Board Committees – the Audit Committee, the Compensation Committee, the Investor Services Committee, the Nominations Committee and the Sustainability

Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

I. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations, both domestic and overseas;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- investigate any activity within its terms of reference and to seek any information it requires from any employee;
- obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following:

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- (c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - The going concern assumption

Report on Corporate Governance

- Major accounting entries based on exercise of judgement by management
 - Significant adjustments, if any, arising out of audit
 - Compliance with Accounting Standards
 - Compliance with Stock Exchange and legal requirements concerning financial statements
 - Related party transactions
 - Qualifications, if any, in draft audit report
 - Report of the Directors & Management Discussion and Analysis;
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- (e) Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (f) Reviewing reports of internal audit, including that of wholly owned subsidiaries, and discussion with internal auditors on any significant findings and follow-up thereon;
- (g) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- (h) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
- (i) Reviewing the Company's financial and risk management policies;
- (j) Looking into the reasons for substantial defaults, if any, in payment to shareholders (in case of non-payment of declared dividends) and creditors;
- (k) Considering such other matters as may be required by the Board;
- (l) Reviewing any other areas which may be specified as role of the Audit Committee under the Listing

Agreement, Companies Act and other statutes, as amended from time to time.

Composition

The Audit Committee presently comprises four Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Committee is an Independent Director. The Executive Director representing the Finance function, the Chief Financial Officer, the Head of Internal Audit and the representative of the Statutory Auditors are Invitees to the Audit Committee. The Head of Internal Audit is the Co-ordinator and the Company Secretary is the Secretary to the Committee. The representatives of the Cost Auditors are invited to meetings of the Audit Committee whenever matters relating to cost audit are considered. All members of the Committee are financially literate; three members, including the Chairman of the Committee, have accounting and financial management expertise.

The names of the members of the Audit Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Meetings and Attendance

Details of Audit Committee Meetings during the financial year

During the financial year ended 31st March, 2014, eight meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	6th May, 2013	6	4
2	17th May, 2013	6	5
3	25th July, 2013	6	6
4	28th August, 2013	5	5
5	23rd September, 2013	5	5
6	25th October, 2013	5	5
7	17th January, 2014	5	5
8	31st March, 2014	5	3

Report on Corporate Governance

Attendance at Audit Committee Meetings during the financial year

Director	No. of meetings attended
S. B. Mathur	8
A. Baijal	7
A. V. Girija Kumar	7
P. B. Ramanujam	8
K. Vaidyanath	5
B. Vijayaraghavan ¹	3

1. Ceased to be Member w.e.f. 27th August, 2013.

II. REMUNERATION COMMITTEE

The Remuneration Committee of the Board, under the nomenclature 'Compensation Committee', inter alia, recommends to the Board the compensation terms of Executive Directors and the seniormost level of management immediately below the Executive Directors. This Committee also has the responsibility for administering the Employee Stock Option Schemes of the Company.

Composition

The Compensation Committee, as on 31st March, 2014, comprised five Non-Executive Directors, four of whom were Independent Directors. The Chairman of the Committee was an Independent Director.

The names of the members of the Compensation Committee, including its Chairman, are provided hereunder.

Meetings and Attendance

Details of Compensation Committee Meetings during the financial year

During the financial year ended 31st March, 2014, five meetings of the Compensation Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	25th July, 2013	6	6
2	26th July, 2013	6	6
3	27th August, 2013	5	4
4	28th August, 2013	5	4
5	25th October, 2013	5	5

Members of the Compensation Committee and their attendance at Committee Meetings during the financial year

Director	No. of meetings attended
S. H. Khan ¹	5
A. Baijal	5
S. B. Mathur	5
H. G. Powell ²	2
S. S. H. Rehman	5
A. Ruys ³	1
B. Sen ⁴	2

1. Chairman of the Committee.

2. Ceased to be Member w.e.f. 30th July, 2013.

3. Appointed Member w.e.f. 30th July, 2013.

4. Ceased to be Member w.e.f. 27th August, 2013.

ITC believes that the governance process should ensure that resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line", namely the conservation and development of the nation's economic, social and environmental capital.

Report on Corporate Governance

Effective 1st April, 2014, a 'Nomination & Compensation Committee' (in place of the 'Nominations Committee' and the 'Compensation Committee') was constituted in terms of the provisions of the Companies Act, 2013. The names of the members of the Nomination & Compensation Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Remuneration Policy

ITC's remuneration strategy aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly.

Remuneration of Directors

Remuneration of the Chairman and other Executive Directors is determined by the Board, on the recommendation of the Nomination & Compensation Committee; remuneration of the Directors is subject to the approval of the Shareholders. The Chairman and Executive Directors are entitled to performance bonus for each financial year up to a maximum of 200% and 150% of their consolidated salary, respectively, and as may be determined by the Board on the recommendation of the Nomination & Compensation Committee. Such remuneration is linked to the performance of the Company inasmuch as the performance bonus is based on various qualitative and quantitative performance criteria.

Non-Executive Directors are entitled to remuneration by way of commission for each financial year ranging from ₹ 12,00,000/- to ₹ 20,00,000/- individually, as approved by the Shareholders. Non-Executive Directors' commission is determined by the Board based, inter alia, on Company performance and regulatory provisions and is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and Committees thereof, the quantum of which is determined by the Board. The sitting fees, as determined by the Board, were ₹ 20,000/- for attending each meeting of the Board, Audit Committee, Compensation Committee, Nominations Committee and Sustainability Committee and ₹ 5,000/- for each meeting of the Investor Services Committee. Effective 25th April, 2014, the sitting fees for Non-Executive Directors have been increased by the Board (within the enhanced limit now permitted under the Companies Act, 2013) to ₹ 1,00,000/- for each meeting of the Board, ₹ 50,000/-

for each meeting of the Audit Committee, Nomination & Compensation Committee, CSR and Sustainability Committee and Independent Directors Committee and ₹ 10,000/- for each meeting of the Stakeholders Relationship Committee. Non-Executive Directors are also entitled to coverage under Personal Accident Insurance.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2014

(₹ in Lakhs)

Director	Consolidated Salary	Perquisites and other Benefits	Performance Bonus / Commission	Sitting Fees	Total
Y. C. Deveshwar	432.00 [^]	72.49 [^]	624.00	-	1,128.49
N. Anand	86.40 [^]	57.37 [^]	93.60	-	237.37
P. V. Dhobale	86.40 [^]	24.36 [^]	93.60	-	204.36
K. N. Grant	86.40 [^]	22.50 [^]	93.60	-	202.50
A. Bajjal	-	-	6.00	4.20	10.20
S. Banerjee ¹	-	-	6.00*	1.80	7.80
A. V. Girija Kumar	-	-	6.00*	5.00*	11.00
S. H. Khan	-	-	6.00	2.60	8.60
R. E. Lerwill ²	-	-	-	-	-
S. B. Mathur	-	-	6.00	4.40	10.40
D. K. Mehrotra ³	-	-	6.00*	0.60	6.60
H. G. Powell ⁴	-	-	6.00	1.20	7.20
P. B. Ramanujam	-	-	6.00	3.65	9.65
S. S. H. Rehman ⁵	-	-	4.08	2.80	6.88
A. Ruys	-	-	6.00	1.40	7.40
B. Sen ⁶	-	-	6.00	1.50	7.50
M. Shankar ⁷	-	-	3.40	2.10	5.50
K. Vaidyanath	-	-	6.00	2.55	8.55
B. Vijayaraghavan ⁶	-	-	6.00	1.55	7.55

[^] Subject to the approval of Shareholders

* Paid to the Institution the Director represents.

1. Ceased to be Non-Executive Director w.e.f. 26th March, 2014.

2. Appointed Non-Executive Director w.e.f. 18th November, 2013.

3. Ceased to be Non-Executive Director w.e.f. 27th October, 2013.

4. Ceased to be Non-Executive Director w.e.f. 30th July, 2013.

5. Appointed Non-Executive Director w.e.f. 27th July, 2012.

6. Ceased to be Non-Executive Director w.e.f. 27th August, 2013.

7. Appointed Non-Executive Director w.e.f. 6th September, 2012.

Note: Disclosure with respect to Non-Executive Directors - Pecuniary relationship: None.

Report on Corporate Governance

Employee Stock Option Schemes

The Company granted 67,90,925 Options during the financial year to the eligible employees (including Directors) of the Company and some of its subsidiary companies.

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary shares of the Company of ₹ 1/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of such vesting.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options	: 30% vests
On completion of 24 months from the date of grant of the Options	: 30% vests
On completion of 36 months from the date of grant of the Options	: 40% vests

Shares and Options of Directors

Director	No. of Ordinary shares of ₹ 1/- each held (singly / jointly) as on 31st March, 2014	No. of Options granted during the financial year
Y. C. Deveshwar	16,20,000	2,70,000
N. Anand	30,000	1,35,000
P. V. Dhobale	1,15,430	1,35,000
K. N. Grant	7,13,230	1,35,000
A. Baijal	1,50,000	10,000
A. V. Girija Kumar	Nil	Nil
S. H. Khan	4,24,000	10,000
R. E. Lerwill	Nil	NA
S. B. Mathur	3,11,000	10,000
P. B. Ramanujam	3,06,356	10,000
S. S. H. Rehman	3,27,751	10,000
A. Ruys	Nil	10,000
M. Shankar	Nil	10,000
K. Vaidyanath	21,52,633	10,000

Note : The Options were granted at the 'market price' as defined under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Service Contracts, Severance Fee and Notice Period

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. A separate Service Contract is not entered into by the Company with those elevated to the Board from the management cadre, since they already have a Service Contract with the Company.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors who have all been drawn from amongst the management cadre. The statutory provisions will however apply. In terms of the Articles of Association of the Company, a notice of one month is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of such notice or its earlier acceptance by the Board, subject to statutory provisions in this regard.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board (earlier known as 'Investor Services Committee') oversees redressal of shareholder and investor grievances, and, inter alia, approves sub-division / consolidation / issue of duplicate share certificates, transmission of shares and issue & allotment of shares upon exercise of Options under the Company's Employee Stock Option Schemes.

Composition

The Stakeholders Relationship Committee presently comprises three Directors. The Chairman of the Committee is an Independent Director.

The names of the members of the Stakeholders Relationship Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Meetings and Attendance

Details of Stakeholders Relationship Committee Meetings during the financial year

During the financial year ended 31st March, 2014, thirty seven meetings of the Stakeholders Relationship

Report on Corporate Governance

Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	8th April, 2013	5	2
2	19th April, 2013	5	2
3	2nd May, 2013	5	3
4	6th May, 2013	5	5
5	16th May, 2013	5	4
6	30th May, 2013	5	3
7	10th June, 2013	5	3
8	14th June, 2013	5	3
9	25th June, 2013	5	3
10	1st July, 2013	5	3
11	8th July, 2013	5	3
12	18th July, 2013	5	3
13	25th July, 2013	5	5
14	8th August, 2013	5	3
15	20th August, 2013	5	3
16	28th August, 2013	5	5
17	3rd September, 2013	5	2
18	18th September, 2013	5	2
19	4th October, 2013	5	2
20	10th October, 2013	5	2
21	17th October, 2013	5	2
22	21st October, 2013	5	2
23	25th October, 2013	5	5
24	4th November, 2013	5	2
25	14th November, 2013	5	2
26	25th November, 2013	5	2
27	3rd December, 2013	5	2
28	18th December, 2013	5	2
29	26th December, 2013	5	2
30	6th January, 2014	5	2
31	16th January, 2014	5	3
32	5th February, 2014	5	2
33	12th February, 2014	5	2
34	24th February, 2014	5	2
35	4th March, 2014	5	2
36	20th March, 2014	5	2
37	31st March, 2014	5	2

Attendance at Stakeholders Relationship Committee Meetings during the financial year

Director	No. of meetings attended
A. V. Girija Kumar	36
K. N. Grant	36
P. B. Ramanujam	5
B. Sen ¹	14
M. Shankar ²	2
K. Vaidyanath ²	3
B. Vijayaraghavan ¹	3

1. Ceased to be Member w.e.f. 27th August, 2013.

2. Appointed Member w.e.f. 27th August, 2013.

IV. NOMINATIONS COMMITTEE

The primary role of the Nominations Committee of the Board, inter alia, is to make recommendations on Executive Directors' appointment to the Board, appointment to the Corporate Management Committee and the seniormost level of executive management below the Executive Directors.

Composition

The Nominations Committee, as on 31st March, 2014, comprised the Chairman of the Company and eight Non-Executive Directors, seven of whom were Independent Directors. The Chairman of the Company was the Chairman of the Committee.

The names of the members of the Nominations Committee, including its Chairman, are provided hereunder.

Meetings and Attendance

Details of Nominations Committee Meetings during the financial year

During the financial year ended 31st March, 2014, three meetings of the Nominations Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th May, 2013	11	8
2	25th July, 2013	11	10
3	25th October, 2013	11	11

Report on Corporate Governance

Members of the Nominations Committee and their attendance at Committee Meetings during the financial year

Director	No. of meetings attended
Y. C. Deveshwar	3
A. Baijal	3
S. Banerjee ¹	3
A. V. Girija Kumar	3
S. H. Khan	2
S. B. Mathur	3
D. K. Mehrotra ²	1
P. B. Ramanujam	3
S. S. H. Rehman	3
M. Shankar	3
K. Vaidyanath	2

1. Ceased to be Member w.e.f. 26th March, 2014.

2. Ceased to be Member w.e.f. 27th October, 2013.

Effective 1st April, 2014, a 'Nomination & Compensation Committee' (in place of the 'Nominations Committee' and the 'Compensation Committee') was constituted in terms of the provisions of the Companies Act, 2013. The names of the members of the Nomination & Compensation Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

V. CSR AND SUSTAINABILITY COMMITTEE

The role of the CSR and Sustainability Committee (earlier known as 'Sustainability Committee') is, inter alia, to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its triple bottom line objectives. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates, reviews & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013. The Committee also reviews the Business Responsibility Report of the Company.

Composition

The CSR and Sustainability Committee presently comprises the Chairman of the Company and five Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Company is the Chairman of the Committee.

The names of the members of the CSR and Sustainability Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Meetings and Attendance

During the financial year ended 31st March, 2014, one meeting of the CSR and Sustainability Committee was held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th May, 2013	7	6

Attendance at CSR and Sustainability Committee Meetings during the financial year

Director	No. of meetings attended
Y. C. Deveshwar	1
S. Banerjee ¹	1
D. K. Mehrotra ²	NA
H. G. Powell ³	1
S. S. H. Rehman ⁴	NA
A. Ruys	1
B. Sen ⁵	Nil
M. Shankar	1
B. Vijayaraghavan ⁵	1

1. Ceased to be Member w.e.f. 26th March, 2014.

2. Appointed Member w.e.f. 27th August, 2013 and ceased to be Member w.e.f. 27th October, 2013.

3. Ceased to be Member w.e.f. 30th July, 2013.

4. Appointed Member w.e.f. 27th August, 2013.

5. Ceased to be Member w.e.f. 27th August, 2013.

CORPORATE MANAGEMENT COMMITTEE

The primary role of the Corporate Management Committee is strategic management of the Company's businesses within Board approved direction / framework.

The CSR and Sustainability Committee provides strategic direction to the Company towards fulfilling its triple bottom line objectives.

Composition

The Corporate Management Committee presently comprises all the Executive Directors and six senior members of management. The Chairman of the Company is the Chairman of the Committee. The composition of the Corporate Management Committee is determined by the Board based on the recommendation of the Nomination & Compensation Committee.

The names of the members of the Corporate Management Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Meetings and Attendance

Matters requiring the Board's attention / approval are placed in the form of notes from the relevant Executive Director / Corporate Management Committee Member, backed by comprehensive background information, alongwith Divisional / SBU Management Committee's recommendation / approval, where applicable. Agenda papers are generally circulated at least three days prior to the meeting. Minutes of Corporate Management Committee meetings are placed before the Board for its information.

Details of Corporate Management Committee Meetings during the financial year

During the financial year ended 31st March, 2014, fifteen meetings of the Corporate Management Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	22nd April, 2013	10	7
2	9th May, 2013	10	10
3	17th & 18th June, 2013	10	9
4	8th & 9th July, 2013	10	9
5	13th & 14th August, 2013	10	10
6	29th August, 2013	10	10
7	19th & 20th September, 2013	10	10
8	17th October, 2013	10	10
9	18th & 19th November, 2013	10	9
10	5th December, 2013	10	10
11	18th & 19th December, 2013	10	10
12	6th January, 2014	10	9
13	14th February, 2014	10	9
14	4th March, 2014	10	9
15	20th March, 2014	10	9

Attendance at Corporate Management Committee Meetings during the financial year

Member	No. of meetings attended
Y. C. Deveshwar	12
N. Anand	15
P. V. Dhobale	15
K. N. Grant	13
B. B. Chatterjee	14
A. Nayak	14
T. V. Ramaswamy	13
S. Sivakumar	15
K. S. Suresh	14
R. Tandon	15

DISCLOSURES

- Materially significant related party transactions which may have potential conflict with the interests of the Company at large:

None

- Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years:

None

- Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges:

None

- Inter-se relationships between Directors of the Company:

None

- Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large:

None

- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

Report on Corporate Governance

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end -

- The quarterly results of the Company were announced within a month of completion of the quarter. Audited annual results alongwith the results for the fourth quarter were announced within two months of the end of the financial year. These results were published, inter alia, in 'The Times of India' and 'Bartaman' / 'Aajkaal' from Kolkata, and on an all India basis in major newspapers, and also in 'Luxemburger Wort', Luxembourg. As in the past, the Company will publish its quarterly, half-yearly and annual financial results.
- The Company's corporate website www.itcportal.com provides comprehensive information on ITC's portfolio of businesses, CSR and sustainability initiatives, EHS performance, shareholding pattern, information on compliance with corporate governance norms and contact details of Company's employees responsible for assisting & handling investor grievances. The website has entire sections dedicated to ITC's profile, history and evolution, its core values, corporate governance and leadership. An exclusive section on 'Shareholder Value' serves to inform and service Shareholders, enabling them to access information at their convenience. The entire Report and Accounts as well as quarterly, half-yearly and annual financial results are available in downloadable formats under the section 'Shareholder Value' on the Company's website as a measure of added convenience to investors. The 'Media Centre' section includes all major media releases from the Company and relevant media reports. Clarifications as and when provided to institutional investors and analysts, including presentations made to them, are also posted on the Company's website.
- The Report of the Directors, forming part of the Report and Accounts, includes all aspects of the Management Discussion and Analysis Report.

ITC CODE OF CONDUCT

The ITC Code of Conduct, as adopted by the Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good

corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers ITC's commitment to CSR and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code is available on the Company's corporate website.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with the ITC Code of Conduct for the financial year ended 31st March, 2014.

New Delhi, 25th April, 2014. Y. C. Deveshwar
Chairman

ITC CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

ITC Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available on the Company's corporate website.

NON-MANDATORY RECOMMENDATIONS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The status of compliance with the non-mandatory recommendations of Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

1. **Non-Executive Chairman's Office:** The Chairman of the Company is the Executive Chairman and hence this provision is not applicable.
2. **Tenure of Independent Directors:** In terms of the Governance Policy of the Company, all Directors, including Independent Directors, are appointed / re-appointed for a period of three to five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time, subject to statutory provisions in this regard.

Report on Corporate Governance

3. **Remuneration Committee:** The Company had a Remuneration Committee under the nomenclature 'Compensation Committee', the details of which are provided in this Report under the section 'Committees of the Board - Remuneration Committee'. Effective 1st April, 2014, a 'Nomination & Compensation Committee' (in place of the 'Nominations Committee' and the 'Compensation Committee') was constituted in terms of the provisions of the Companies Act, 2013.
4. **Shareholder Rights:** The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's corporate website. Significant events are also posted on this website under the 'Media Centre' section. The complete Annual Report is sent to every Shareholder of the Company.
5. **Audit Qualifications:** It has always been the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2014.
6. **Training of Board members:** The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment & minimisation procedures, and new initiatives proposed by the Company. Directors are also updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic environment.
7. **Mechanism for evaluation of Non-Executive Directors:** The role of the Board of Directors is to

provide direction and exercise overall supervision to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board has so far evaluated Non-Executive Directors collectively to reinforce the principle of collective responsibility.

8. **Whistleblower Policy:** The Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the ITC Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation. The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board.

GENERAL SHAREHOLDER INFORMATION

Provided in the 'Shareholder Information' section of the Report and Accounts.

COMPLIANCE CERTIFICATE OF THE AUDITORS

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors & Management Discussion and Analysis.

This Certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.

The structure, processes and practices of governance are designed to support effective management of multiple businesses while retaining focus on each one of them.

Shareholder Information

AGM Details

Date	Wednesday, 30th July, 2014
Venue	Science City Main Auditorium JBS Haldane Avenue Kolkata 700 046
Time	10.00 a.m.
Book Closure Dates	Thursday, 5th June, 2014 to Monday, 9th June, 2014 (both days inclusive)
Dividend Payment Date	Thursday, 31st July, 2014

Registrar & Share Transfer Agents

The in-house Investor Service Centre of the Company (ISC), accredited with ISO 9001 : 2008 certification for investor servicing, provides share registration and other related services. The Company is registered with SEBI as Category II Share Transfer Agent and has been granted a certificate of permanent registration.

Shareholder Satisfaction Survey

During the year, a Shareholder Satisfaction Survey was conducted by the Company. An overwhelming number of Shareholders who participated in the Survey responded that they were extremely satisfied with the services provided by ISC.

Share and Debenture Transfer Committee

The Share and Debenture Transfer Committee of the Company generally approves share transfers on a weekly basis. The processing activities with respect to requests received for share transfers are generally completed within three working days from the date of receipt of request. There were no share transfers pending as on 31st March, 2014. The Committee met forty-nine times during the financial year.

The Committee comprises the following:

K.N. Grant, Executive Director	- Chairman
B.B. Chatterjee, Executive Vice President & Company Secretary	- Member
K.S. Suresh, General Counsel	- Member

A. Bose, Deputy Secretary and Head of ISC, is the Secretary to the Committee and is also the Compliance Officer under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

Shareholder / Investor Complaints

The Company attends to Shareholder / Investor complaints, queries and other correspondence generally within a period of five working days except where constrained by disputes

or legal impediments. There are some pending cases relating to disputes over title to shares in which the Company has been made a party. These cases however are not material in nature.

In terms of the Complaint Identification Policy approved by the Stakeholders Relationship Committee (earlier known as 'Investor Services Committee') of the Board, the Company received three complaints during the financial year ended 31st March, 2014. The said complaints have been promptly resolved.

Complaints relating to	Nos.
Transfer of Shares	1
Transmission of Shares	1
Dividend	1
Total	3

National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange have confirmed that there were no investor complaints pending against the Company at the end of each quarter, as also on 31st March, 2014. Similar was the position on SCORES, the web based complaint redressal system of SEBI.

The e-mail ID earmarked for investor complaints is **isc@itc.in**

Dematerialisation of Shares and Liquidity

The shares of the Company are available for trading in the dematerialised form under both the Depository Systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE154A01025. The annual custody fees for the financial year 2014-15 have been paid to NSDL and CDSL, the Depositories.

During the year, 1,18,94,838 shares of the Company, covered in 2,450 requests and constituting 0.15% of the issued and subscribed Share Capital of the Company, were dematerialised. 5,38,18,52,028 shares of the Company constituting 67.67% of the issued and subscribed Share Capital stand dematerialised as on 31st March, 2014. The processing activities with respect to requests received for dematerialisation are generally completed within one to four working days.

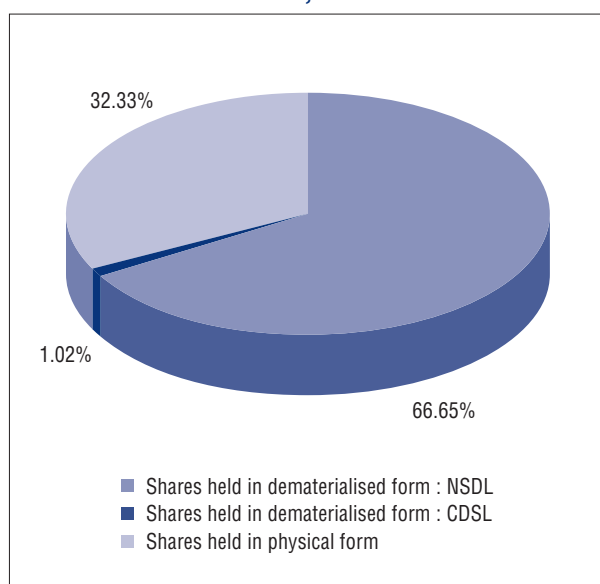
The Company's shares are among the most liquid and actively traded shares on the Indian Stock Exchanges and consistently rank among the top frequently traded shares, both in terms of number of shares traded as well as in terms of value. The Company's market capitalisation stood at ₹ 2,80,628 crores (US\$ 46.84 billion) on 31st March, 2014 as compared to ₹ 2,44,522 crores (US\$ 45.04 billion) on 31st March, 2013.

Shareholder Information

Distribution of Shareholding as on 31st March, 2014

No. of Shares Slab	No. of Shareholders				No. of Shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 – 5000	27,510	3,74,320	4,01,830	91.75	3,04,84,488	0.39	14,80,95,867	1.86	17,85,80,355	2.25
5001 – 10000	4,422	12,714	17,136	3.91	3,08,20,528	0.39	9,08,51,361	1.14	12,16,71,889	1.53
10001 – 20000	1,974	7,631	9,605	2.19	2,88,66,280	0.36	11,05,21,018	1.39	13,93,87,298	1.75
20001 – 30000	560	2,738	3,298	0.75	1,35,68,306	0.17	6,75,29,245	0.85	8,10,97,551	1.02
30001 – 40000	267	1,364	1,631	0.37	92,84,915	0.11	4,74,81,224	0.60	5,67,66,139	0.71
40001 – 50000	220	852	1,072	0.25	1,01,47,450	0.13	3,86,72,642	0.48	4,88,20,092	0.61
50001 – 100000	243	1,520	1,763	0.40	1,66,84,575	0.21	10,56,98,934	1.33	12,23,83,509	1.54
100001 and above	96	1,562	1,658	0.38	2,43,14,74,380	30.57	4,77,30,01,737	60.02	7,20,44,76,117	90.59
Total	35,292	4,02,701	4,37,993	100.00	2,57,13,30,922	32.33	5,38,18,52,028	67.67	7,95,31,82,950	100.00

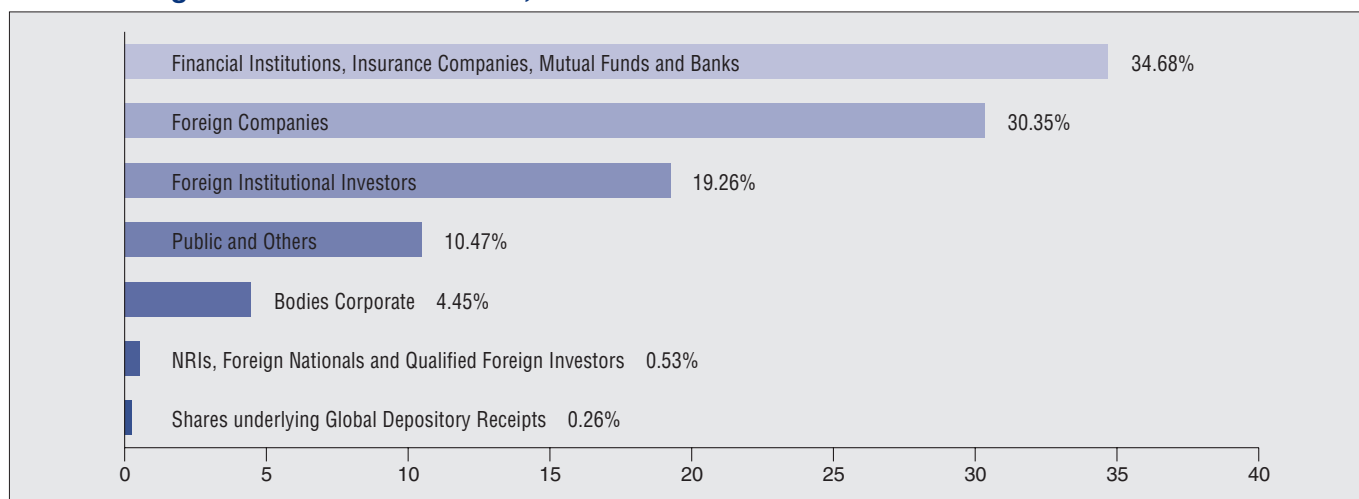
Shares held in Physical and Dematerialised form as on 31st March, 2014



Categories of Shareholders as on 31st March, 2014

Category	No. of Shares held	%
(A) Institutional Shareholding		
Financial Institutions, Insurance Companies, Mutual Funds and Banks	2,75,77,23,494	34.68
Foreign Institutional Investors	1,53,21,06,319	19.26
Sub-Total (A)	4,28,98,29,813	53.94
(B) Non-Institutional Shareholding		
Foreign Companies	2,41,35,09,216	30.35
NRIs, Foreign Nationals and Qualified Foreign Investors	4,24,31,363	0.53
Bodies Corporate	35,40,95,975	4.45
Public and Others	83,25,34,963	10.47
Sub-Total (B)	3,64,25,71,517	45.80
Public Shareholding (A + B)	7,93,24,01,330	99.74
Shares underlying Global Depository Receipts	2,07,81,620	0.26
Total	7,95,31,82,950	100.00

Shareholding Pattern as on 31st March, 2014



Shareholder Information

Top Ten Shareholders as on 31st March, 2014

Sl. No.	Name of the Shareholder	No. of Shares held	%
1	Tobacco Manufacturers (India) Limited	1,98,55,64,880	24.96
2	Life Insurance Corporation of India	1,10,28,29,844	13.87
3	Specified Undertaking of the Unit Trust of India	89,67,24,540	11.28
4	Myddleton Investment Company Limited	32,42,07,960	4.08
5	The New India Assurance Company Limited	15,74,25,155	1.98
6	General Insurance Corporation of India	14,35,00,540	1.80
7	The Oriental Insurance Company Limited	12,43,82,292	1.56
8	National Insurance Company Limited	11,75,11,590	1.48
9	Rothmans International Enterprises Limited	10,33,03,260	1.30
10	ICICI Prudential Life Insurance Company Limited	6,75,02,036	0.85

Global Depository Receipts

Pursuant to the offer of Global Depository Receipts (GDRs) made in 1993 by the Company, 2,07,81,620 GDRs, representing 2,07,81,620 underlying shares of the Company i.e. 0.26% of the issued and subscribed Share Capital, were outstanding as on 31st March, 2014.

The Company's GDRs are listed on the Luxembourg Stock Exchange (Code: 004660919) at Societe de la Bourse de Luxembourg, 35A Boulevard Joseph II, L-1840, Luxembourg. The Listing Fee for the calendar year 2014 has been paid to the said Exchange.

Listing of Shares on Stock Exchanges with Stock Code

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Telephone nos. : 022-2659 8100-14 Facsimile no. : 022-2659 8120 e-mail : ignse@nse.co.in website : www.nseindia.com	ITC
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Telephone nos. : 022-2272 1233/34 Facsimile no. : 022-2272 1919 e-mail : is@bseindia.com website : www.bseindia.com	500875
The Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range Kolkata 700 001 Telephone no. : 033-4025 3000 Facsimile no. : 033-4025 3030 e-mail : cseisc@cse-india.com website : www.cse-india.com	10000018

The Listing Fees for the financial year 2014-15 have been paid to the aforesaid Stock Exchanges.

Stock Exchange	Reuters Code	Bloomberg
NSE	ITC.NS	ITC IS
BSE	ITC.BO	ITC IB

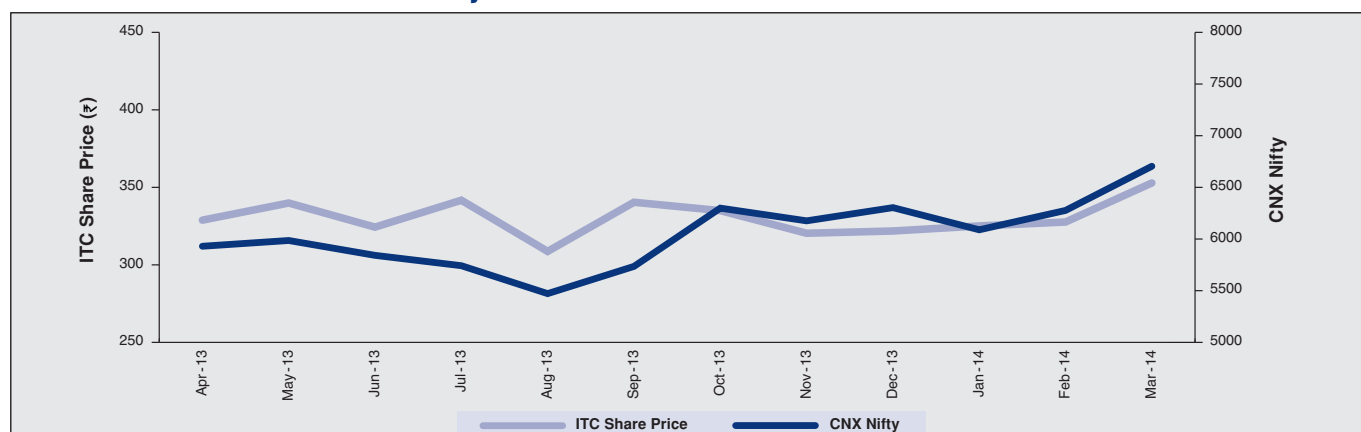
Shareholder Information

Monthly High and Low Quotes and Volume of Shares traded on NSE, BSE and GDRs on Luxembourg Stock Exchange (LSE)

Year & Month	NSE			BSE			LSE		
	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (US\$)	Low (US\$)	Volume in 000's (Nos.)
2013 APRIL	335.60	281.15	126548	335.90	281.15	6635	6.12	5.22	22
MAY	355.90	325.20	150309	355.75	325.10	11300	6.44	5.92	51
JUNE	341.90	311.00	130902	343.60	311.05	14751	5.93	5.26	Nil
JULY	380.00	320.15	156086	380.00	320.50	13065	6.36	5.41	Nil
AUGUST	349.05	285.20	188120	349.00	285.40	14449	5.59	4.33	38
SEPTEMBER	358.00	293.60	167324	358.80	293.50	12530	5.75	4.47	38
OCTOBER	356.10	323.00	133623	355.40	323.40	12166	5.78	5.00	8
NOVEMBER	334.00	307.75	119477	334.00	307.60	8038	5.35	4.90	Nil
DECEMBER	324.00	307.55	131677	324.00	307.80	9904	5.21	4.80	..
2014 JANUARY	332.35	310.35	129522	332.30	311.00	13847	5.36	5.06	2
FEBRUARY	332.00	311.40	97799	331.55	311.10	6967	5.30	5.01	7
MARCH	365.00	326.05	143938	365.00	318.00	7629	6.00	5.30	Nil

There was no trading in the Company's shares on CSE during the financial year 2013-14.

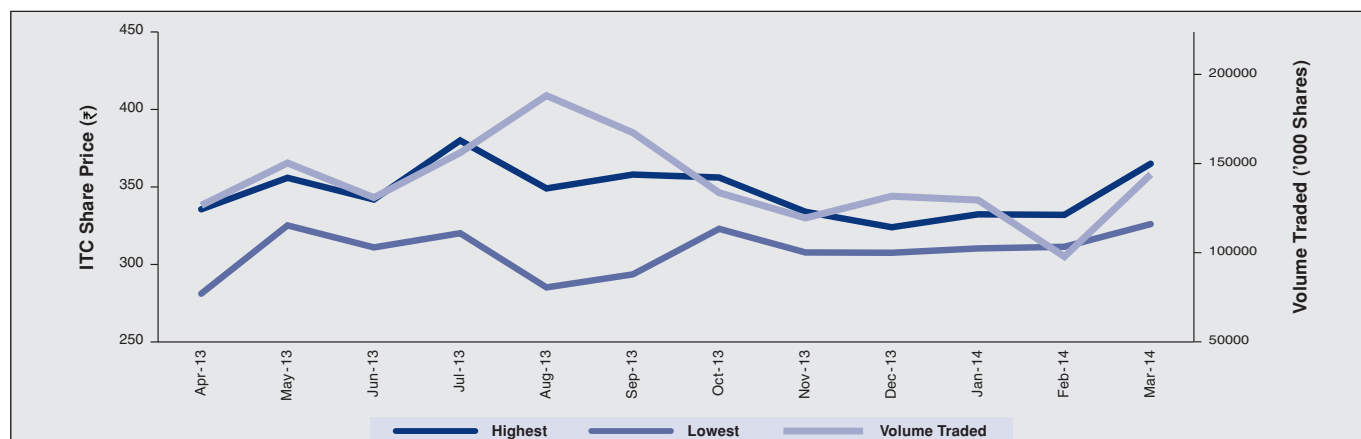
ITC Share Price vis-à-vis CNX Nifty



Note – Indicates monthly closing positions.

During the financial year 2013-14, the CNX Nifty has risen by 18%. During the same period, the Company's share price has risen by 14%.

ITC Share Price & Volume traded on NSE



Note – Indicates monthly high & low price and monthly volume.

Shareholder Information

Dividend History (Last 10 Years)

As one of India's foremost private sector companies, the Company has performed consistently for over a century now and has rewarded Shareholders since inception with uninterrupted dividends.

Financial Year	Dividend per Share (₹)	Dividend (₹ in Crores)	Dividend Distribution Tax (₹ in Crores)	Total Dividend including Dividend Distribution Tax (₹ in Crores)
2013-14	6.00 *	4771.91	810.99	5582.90
2012-13	5.25	4148.46	705.03	4853.49
2011-12	4.50	3518.29	570.75	4089.04
2010-11	4.45 @	3443.48 @	558.62	4002.10
2009-10	10.00 \$	3818.18 \$	634.15	4452.33
2008-09	3.70	1396.53	237.34	1633.87
2007-08	3.50	1319.02	224.17	1543.19
2006-07	3.10	1166.29	198.21	1364.50
2005-06	2.65 ^	995.13 ^	139.57	1134.70
2004-05	3.10 #	773.25	108.45	881.70

* Subject to approval of Shareholders.

@ On expanded Share Capital arising out of Bonus shares issued in the ratio of 1:1 and includes special dividend of ₹ 1.65 per share.

\$ Includes special Centenary dividend of ₹ 5.50 per share.

^ On expanded Share Capital arising out of Bonus shares issued in the ratio of 1:2.

Adjusted to reflect Sub-Division of shares from ₹ 10/- to ₹ 1/- per share in 2005-06.

Financial Calendar

Financial Year 2014-15		
1	First Quarter Results	July 2014
2	Second Quarter and Half-Year Results	October 2014
3	Third Quarter Results	January 2015
4	Fourth Quarter and Annual Results	May 2015

Particulars of past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
102nd	2012-13	Science City Main Auditorium JBS Haldane Avenue Kolkata 700 046	26/07/2013	10.00 a.m.	<ul style="list-style-type: none"> Appointment of Auditors. Payment of commission to Non-Executive Directors.
101st	2011-12		27/07/2012	10.00 a.m.	<ul style="list-style-type: none"> Appointment of Auditors.
100th	2010-11		29/07/2011	10.30 a.m.	<ul style="list-style-type: none"> Appointment of Auditors.

Shareholder Information

Postal Ballot / E-Voting

During the year, a Scheme of Arrangement between Wimco Limited and ITC Limited and their respective shareholders was approved by the Shareholders of the Company by postal ballot / e-voting, in terms of an Order passed by the Hon'ble High Court at Calcutta on 8th January, 2014 with respect to the Company Application No. 511 of 2013.

Salient features of the said postal ballot / e-voting are provided below:

- The Hon'ble Court appointed Mr. Rupak Ghosh, Advocate, as Scrutinizer for conducting the postal ballot / e-voting;
- Notice alongwith accompanying documents were despatched electronically / by post to the Shareholders whose names appeared on the Register of Members of the Company on 31st January, 2014, in terms of the direction of the Hon'ble Court. Such despatch commenced on 12th February, 2014 and was completed on 17th February, 2014;
- The last date for receipt of postal ballot forms was 19th March, 2014; the period for e-voting started on 18th February, 2014 and ended on 19th March, 2014;
- The Scrutinizer declared the results of postal ballot / e-voting on 24th March, 2014 at the Registered Office of the Company, as follows:

	No. of Shareholders	No. of Votes	% of Votes
Total postal ballots received / e-votes cast	8,026	6,17,78,28,726	
Invalid postal ballots / e-votes	206	9,40,537	
Valid postal ballots / e-votes	7,820	6,17,68,88,189	100.00
A. In favour of the Resolution	7,626	6,17,66,21,497	99.996
B. Against the Resolution	194	2,66,692	0.004

No special resolution requiring a postal ballot is being proposed for the ensuing AGM.

Plant Locations

CIGARETTE FACTORIES

Bengaluru

1. Meenakunte Village
Jala Hobli
Bengaluru
Karnataka 562 157

Kolkata

2. 93/1 Karl Marx Sarani
Kolkata
West Bengal 700 043

Munger

3. Basdeopur P.O.
District Munger
Bihar 811 202

Ranjangaon

4. Plot No. B-27, MIDC
Ranjangaon, Taluka Shirur
District Pune
Maharashtra 412 220

Saharanpur

5. Sardar Patel Marg
Saharanpur
Uttar Pradesh 247 001

PAPER & PAPERBOARD MILLS

Bollaram

1. Anrich Industrial Estate
Bollaram Village
District Medak
Andhra Pradesh 502 325

Sarapaka

2. Sarapaka Village
District Khammam
Andhra Pradesh 507 128

Thekkampatty

3. Thekkampatty Village
Vivekanandapuram Post
Mettupalayam Taluk
District Coimbatore
Tamil Nadu 641 113

Tribeni

4. Village & Post Chandrahati
District Hooghly
West Bengal 712 504

FOODS FACTORIES

Haridwar

1. Plot No.1, Sector-11
Integrated Industrial Estate
Haridwar
Uttarakhand 249 403

Ranjangaon

2. Plot No. D-1, MIDC
Ranjangaon, Taluka Shirur
District Pune
Maharashtra 412 220

PERSONAL CARE PRODUCTS FACTORIES

Haridwar

1. Plot No.1, Sector-11
Integrated Industrial Estate
Haridwar
Uttarakhand 249 403

Manpura

2. Village Manpura, Tehsil Baddi
District Solan
Himachal Pradesh 174 101

Shareholder Information

HOTELS

Owned Hotels

Agra

1. ITC Mughal*
Taj Ganj
Agra 282 001

Bengaluru

2. ITC Gardenia*
1, Residency Road
Bengaluru 560 025
3. ITC Windsor*
25, Windsor Square
Golf Course Road
Bengaluru 560 052
4. My Fortune, Bengaluru
46, Richmond Road
Bengaluru 560 025

Chennai

5. ITC Grand Chola*
63, Mount Road, Guindy
Chennai 600 032
6. My Fortune, Chennai
Cathedral Road
Chennai 600 086

Jaipur

7. ITC Rajputana*
Palace Road
Jaipur 302 006

Kolkata

8. ITC Sonar*
1, JBS Haldane Avenue
Kolkata 700 046

Mumbai

9. ITC Maratha*
Sahar
Mumbai 400 099
10. ITC Grand Central*
287, Dr. B. Ambedkar Road
Parel
Mumbai 400 012

New Delhi

11. ITC Maurya*
Sardar Patel Marg
Diplomatic Enclave
New Delhi 110 021
12. Sheraton New Delhi Hotel
District Centre
Saket
New Delhi 110 017

Licenced Hotels

Kota

13. WelcomHeritage
Umed Bhawan Palace
Palace Road
Kota 324 001

Port Blair

14. Fortune Resort Bay Island
Marine Hill
Port Blair 744 101

Vadodara

15. WelcomHotel Vadodara
R. C. Dutt Road
Alkapuri
Vadodara 390 007

Hotels Under Operating Services

Aurangabad

16. WelcomHotel Rama International
R-3, Chikalthana
Aurangabad 431 210

Chennai

17. Sheraton Park Hotel & Towers
132, T. T. K. Road
Chennai 600 018

Hyderabad

18. ITC Kakatiya*
6-3-1187, Begumpet
Hyderabad 500 016

Kollam

19. WelcomHotel Raviz
Thevally, Mathilil P.O.
Kollam 691 601

Kozhikode

20. WelcomHotel Raviz Kadavu
NH 17, Calicut Bypass Road
Azhinjilam P.O.
Malappuram District
Kozhikode 673 632

New Delhi

21. WelcomHotel Dwarka
Plot No. 3, Sector-10
District Centre, Dwarka
New Delhi 110 075

Panchkula

22. WelcomHotel Bella Vista
SM - 8, Sector-5
Panchkula 134 109

Visakhapatnam

23. WelcomHotel Grand Bay
Beach Road
Visakhapatnam 530 002

GREEN LEAF THRESHING PLANTS

Anaparti

1. Anaparti
East Godavari District
Andhra Pradesh 533 342

Chirala

2. Chirala
Prakasam District
Andhra Pradesh 523 157

Nanjangud

3. Immavu & Adakanahalli Village
Nanjangud Taluk, District Mysore
Karnataka 571 302

PACKAGING & PRINTING FACTORIES

Chennai

1. Tiruvottiyur
Chennai
Tamil Nadu 600 019

Haridwar

2. Plot No.1, Sector-11
Integrated Industrial Estate
Haridwar
Uttarakhand 249 403

Munger

3. Basdeopur P.O.
District Munger
Bihar 811 202

CHOUPAL SAAGARS - RURAL SERVICES CENTRES

Amravati

1. Old Survey No. 12/5A, 12/6 & 12/7
Gat No. 19
Patwari Halka No. 48
Mouza Degaon
Pargana Nandgaon Peth
Taluka & District Amravati
Maharashtra 444 901

Badaun

2. Araz No. 10 & 12/3 (Part)
Village Khunak
Tehsil & District Badaun
Uttar Pradesh 243 601

Bahraich

3. Khasra No. 475-476, 477 (Part),
496-kha (Part), 497, 498 (Part),
500-Mi, 501-505, 507 & 509
Village Mohammad Nagar
Tehsil, Pargana & District Bahraich
Uttar Pradesh 271 801

Chandouli

4. Khasra No. 57-62 & 641
Village Muhabatpur
Ganj Khwaja
Pargana Dhoos
Tehsil Sakaldeeha
District Chandouli
Uttar Pradesh 232 104

Chindwara

5. Survey No. 16/1-16/2 & 16/4-16/7
Settlement No. 7
Patwari Halka No. 34, R.I. Circle
Village Imaliya Bohata
Chindwara - I
Tehsil & District Chindwara
Madhya Pradesh 480 001

Dewas

6. Survey No. 294/2 & 295
Patwari Halka No. 26
Village Lohar Pipliya
Tehsil & District Dewas
Madhya Pradesh 455 001

Dhar

7. Survey No. 438, Patwari Halka No. 13
Village Jaitpura
Tehsil & District Dhar
Madhya Pradesh 454 001

Gonda

8. Araz No. 420 (Part), 421-424, 427-428,
431, 433-434, 442-446, 447 (Part),
448 (Part), 450-456, 456 (kha) &
457 (Part)
Village Haripur
Tehsil & District Gonda
Uttar Pradesh 271 001

* Operating under 'The Luxury Collection' brand under Licence from Sheraton International, LLC.

Shareholder Information

Hardoi

9. Arazi No. 658 & 659
Village Korriyan
Pargana Gopamau
Tehsil & District Hardoi
Uttar Pradesh 241 001

Hathras

10. Khasra No. 21, Village Srinagar
Tehsil Sasni
District Hathras
Uttar Pradesh 204 216

Itarsi

11. Survey No. 309/1, 310/2 & 310/3
Patwari Halka No. 11
Village Raisalpur
Tehsil Itarsi
District Hoshangabad
Madhya Pradesh 461 111

Jagdishpur

12. Khasra No. 2377-2380
Village Kathura
Pargana Jagdishpur
Tehsil Musafirkhana
District Amethi
Uttar Pradesh 227 817

Mandsaur

13. Survey No. 30-33
Patwari Halka No. 14
Village Azizkhedi
Tehsil & District Mandsaur
Madhya Pradesh 458 001

Mhow

14. Survey No. 188/2, 189/1, 189/2,
189/4, 190/1, 191 & 192/2
Patwari Halka No. 20
Village Gawli Palasia
Vikashkhanda Mhow
Tehsil Mhow, District Indore
Madhya Pradesh 453 441

Nagda

15. Khasra No. 1393 (Part)-1394 (Part),
1396/1 & 1397/1
Patwari Halka No. 18
Village Padliya Kala
Tehsil Nagda, District Ujjain
Madhya Pradesh 456 335

Parbhani

16. Gat No. 803
Village Asola
Tehsil & District Parbhani
Maharashtra 431 401

Pilibhit

17. Khasra No. 261
Village Sandiya Mustakil
Tehsil, Pargana & District Pilibhit
Uttar Pradesh 262 001

Ratlam

18. Survey No. 107/1-107/3
R.I. Circle No. 5, Moondri
Patwari Halka No. 31
Village Kharakhedi
Tehsil & District Ratlam
Madhya Pradesh 457 001

Sehore

19. Khasra No. 208-209
Patwari Halka No. 36
Village Rafiqganj
Tehsil & District Sehore
Madhya Pradesh 466 001

Ujjain

20. Survey No. 433/3, 456 & 458
R.I. Circle No. 2
Patwari Halka No. 19
Village Kamed
Tehsil Ghattia
District Ujjain
Madhya Pradesh 456 001

Vidisha

21. New Revenue Survey No. 18 & 18/2
Patwari Halka No. 35 & 45
Village Bais
Tehsil & District Vidisha
Madhya Pradesh 464 001

Wardha

22. Survey No. 151/1 & 151/4
Mouza No. 17, Mouza Inzapur
Tehsil & District Wardha
Maharashtra 442 001

Washim

23. Survey No. 104
Patwari Halka No. 10
Mouza Zakalwadi
Taluka & District Washim
Maharashtra 444 505

Yavatmal

24. Bhumapan Kramank 15
Bhumapan Kramank Upvibhag 2A
Village Parwa
Taluka & District Yavatmal
Maharashtra 445 001

LIFESTYLE RETAILING

Design & Technology Centre

Manesar

- Plot No. 3, Sector-5
IMT Manesar, Gurgaon
Haryana 122 050

Wills Lifestyle Stores

Agra

1. ITC Mughal
Taj Ganj
Agra 282 001
Tel No: 0562-4021836
2. Shop No. 2/216 A
Swadeshi Bima Nagar
M. G. Road
Agra 282 001
Tel No: 0562-2520552

Ahmedabad

3. Shop No. 3
Time Square Building
C. G. Road, Navrangpura
Ahmedabad 380 006
Tel No: 079-26402303

4. Shop Nos. 231-232
Iscon Mega Mall
Near Iscon Temple
Sarkhej National Highway
Ahmedabad 380 054
Tel No: 079-40026304

5. G-29, Alpha One
Near Vastrapur Lake
Vastrapur
Ahmedabad 380 054
Tel No: 079-40062323

Bengaluru

6. 664, Binnamangala
First Stage, 100 Ft. Road
Indiranagar
Bengaluru 560 038
Tel No: 080-41715665
7. ITC Gardenia
1, Residency Road
Bengaluru 560 025
Tel No: 080-43455301
8. 11th Main, Sri Arcade
No.16 (Old No.17)
III Block East, Jayanagar
Bengaluru 560 011
Tel No: 080-41211435
9. Shop No. 222, 2nd Floor
Garuda Mall
Magarath Road
Bengaluru 560 025
Tel No: 080-40937784
10. Shop No. 67, Commercial Street
Bengaluru 560 001
Tel No: 080-41513477
11. Shop Nos. 03 & 04, Orion Mall
Brigade Gateway
Dr. Rajkumar Road
Malleswaram
Bengaluru 560 055
Tel No: 080-22682022

Bhopal

12. GF-41, DB City
M. P. Nagar
Bhopal 462 011
Tel No: 0755-6644244

Bhubaneswar

13. No.1, Janpath, Shitya Square
Bhubaneswar 751 001
Tel No: 0674-2380831

Chandigarh

14. SCO 14, Sector-17E
Chandigarh 160 017
Tel No: 0172-6549856
15. Shop No. 124
First Floor, Elante Mall
Chandigarh 160 031
Tel No: 0172-4024999

Chennai

16. Shop No. 19, Ground Floor
Quaiser Tower
Khader Nawaz Khan Road
Nungambakkam
Chennai 600 034
Tel No: 044-28332513

Shareholder Information

17. Shop No. 6, Ground Floor
Chennai Citi Centre
10 & 11, Dr. Radhakrishna Salai
Chennai 600 004
Tel No: 044-43536214

18. Shop No. 23, Ampa Skyline Mall
N. M. Road, Aminjikarai
Chennai 600 029
Tel No: 044-42082522

19. Shop No. S 109, Express Avenue
49, 50L, Whites Road
Royapettah
Chennai 600 014
Tel No: 044-28464431

20. Shop No. S 114, Express Avenue
49, 50L, Whites Road
Royapettah
Chennai 600 014
Tel No: 044-28464236

21. ITC Grand Chola
63, Mount Road, Guindy
Chennai 600 032
Tel No: 044-22301206

22. Shop No. F-23
Phoenix Market City Mall
Velachery Main Road
Chennai 600 042
Tel No: 044-30083322

Coimbatore

23. G-24, Brooke Fields Mall
67-71, Krishnasamy Road
Coimbatore 641 001
Tel No: 0422-2255544

Dehradun

24. 52/A, Rajpur Road
Dehradun 248 001
Tel No: 0135-2749941

Ernakulam

25. No. 40/7182, Ground Floor
M. G. Road
Ernakulam 682 035
Tel No: 0484-4028883

26. Shop No. FA 2b
LuLu Mall, 50/2392, NH 17, Edappally
Ernakulam 682 024
Tel No: 0484-4038883

Ghaziabad

27. Shop No. G-37
Mahagun Metro Mall
Plot No. VC-3, Vaishali
Ghaziabad 201 010
Tel No: 0120-6492890

Gurgaon

28. Shop Nos. 17-20
The Metropolitan
Mehrauli-Gurgaon Road
Gurgaon 122 002
Tel No: 0124-4104444

29. Shop Nos. G 64 & 65
Ambi Mall, Ambience Island
National Highway No. 8
Gurgaon 122 001
Tel No: 0124-6460667

Guwahati

30. Shop Nos. A, B, C, E, P
Adam's Plaza, G. S. Road
Christian Basti
Guwahati 781 005
Tel No: 0361-2349922

Hyderabad

31. Shop Nos. G 4 & 5
G. S. Chambers, Nagarjuna Circle
Hyderabad 500 082
Tel No: 040-66369200

32. Shop Nos. 1 & 2
H. No. 3-6-108/2, Kuchkulla House
Himayat Nagar
Hyderabad 500 029
Tel No: 040-64255160

33. Shop Nos. 11 & 12
Lower Ground Floor
Road No. 1, GVK Mall
Banjara Hills
Hyderabad 500 034
Tel No: 040-67497660

Indore

34. Shop No. 11, Ground Floor
C-21 Mall
Plot Nos. 94-104 & 300-303
Scheme No. 54
A.B. Road
Indore 452 010
Tel No: 0731-4095717

35. Shop No. F-12, First Floor
Treasure Island
M. G. Road
Indore 452 001
Tel No: 0731-4206614

Jaipur

36. Shop No. 41, Gulab Niwas
M. I. Road
Jaipur 302 001
Tel No: 0141-2365017

37. Shop Nos. G23-25
Triton The Mega Mall
Jhotwara Road, Near Chomu Pulia
Jaipur 302 012
Tel No: 0141-5156731

38. Shop No. 1
Plot Nos. 236 & 237, SDC Monarch
Amrapali Marg, Vaishali Nagar
Jaipur 302 021
Tel No: 0141-4020312

Jammu

39. 5 & 6 Residency Road
Jammu 180 001
Tel No: 0191-2573153

Jodhpur

40. Shop No. 373 A&B
Ground & Mezzanine Floors
Sardarpura C Road
Jodhpur 342 004
Tel No: 0291-2614444

Kanpur

41. Shop No. 8, 1st Floor, Zsquare Mall
16/113, M. G. Marg
Bada Choraha
Kanpur 208 001
Tel No: 0512-2302975

Kolkata

42. 19B, Shakespeare Sarani
Kolkata 700 071
Tel No: 033-22826102

43. C-008 & C-010, City Centre 1
Block-DC, Sector-1
Salt Lake City
Kolkata 700 064
Tel No: 033-23589152

44. Shop No. S026
South City Mall
375, Prince Anwar Shah Road
Kolkata 700 068
Tel No: 033-40072206

45. Shop Nos. 126-129, 1st Floor
Quest Mall
33, Syed Amir Ali Avenue
Kolkata 700 017
Tel No: 033-22870828

Lucknow

46. Shop No. 2108
B-1, First Floor, Fun Republic Mall
Gomti Nagar
Lucknow 226 010
Tel No: 0522-4060666

47. Shop No. 25, Sahara Ganj
Hazrat Ganj, Shah Nazaf Road
Lucknow 226 001
Tel No: 0522-3062555

48. F-08, First Floor
Phoenix United Mall, Alambagh
Lucknow 226 005
Tel No: 0522-3295388

Ludhiana

49. 85/4A, The Mall
Ludhiana 141 001
Tel No: 0161-2441423

50. Shop Nos. 44-45 & 50-51
First Floor, The Westend Mall
Ferozpur Road
Ludhiana 141 001
Tel No: 0161-4644436

Meerut

51. Shop No. 174 AB, Sadar Bazar
Meerut Cantonment
Meerut 250 001
Tel No: 0121-4055245

Mumbai / Thane

52. Shop Nos. 2, 3 & 32
Ruki Mahal Co-operative
Housing Society Ltd.
Colaba
Mumbai 400 005
Tel No: 022-22818261

53. F-8 & 9, Inorbit Mall
Mindspace, Malad Link Road
Malad (West)
Mumbai 400 064
Tel No: 022-40032086

54. Unit Nos. 4 & 5, Skyzone Level 1
Block 2, Phoenix Mills Compound
462, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel No: 022-40040603

Shareholder Information

55. Shop No. F 34
Oberoi Mall, Goregaon (East)
Mumbai 400 063
Tel No: 022-28432127

56. Shop No. 124, Infinity Mall
Link Road, Malad (West)
Mumbai 400 064
Tel No: 022-67709125

57. Shop No. G6
Phoenix Market City Mall
L.B.S. Marg, Kurla (West)
Mumbai 400 070
Tel No: 022-61801415

58. ITC Grand Central
287, Dr. B. Ambedkar Road
Parel
Mumbai 400 012
Tel No: 022-67045301

59. G-24, Inorbit Mall
Plot No. 39/1, Sector-30A
Vashi
Navi Mumbai 400 705
Tel No: 022-65251162

60. F 21 & 22, Korum Mall
Mangal Pandey Road
Eastern Express Highway
District Thane (West) 400 606
Tel No: 022-25417474

61. Unit No. G26, Ground Floor
Viva City Mall, Pokhan Road No. 2
Subhash Nagar
District Thane (West) 400 610
Tel No: 022-61701397

Nagpur

62. Jagat Millennium
Amravati Road, Dharampeth
Nagpur 440 014
Tel No: 0712-6647195

Nashik

63. UG-Shop No. 7
City Centre Mall
Lawate Nagar, Untwadi
Nashik 422 002
Tel No: 0253-2232172

New Delhi

64. F-41, South Extension - I
New Delhi 110 049
Tel No: 011-41648523

65. Plot No. 1B3, Citi Centre Mall
Sector-10, Twin District Centre 1
Rohini
New Delhi 110 085
Tel No: 011-64640766

66. Shop No. 033, First Floor
Pacific Mall, Subhash Nagar
New Delhi 110 018
Tel No: 011-64707471

67. E-2, Inner Circle
Connaught Place
New Delhi 110 001
Tel No: 011-64717773

68. ITC Maurya
Sardar Patel Marg
Diplomatic Enclave
New Delhi 110 021
Tel No: 011-46215365

69. Select Citywalk, G 3 & 4
Ground Floor
District Centre, Saket
New Delhi 110 017
Tel No: 011-42658267

70. Shop No. 227, First Floor
DLF Promenade Mall
Vasant Kunj
New Delhi 110 070
Tel No: 011-41551355

71. Shop No. G8-12
Bhagwati Plaza
Plot No. 12, Sector-5
Dwarka
New Delhi 110 075
Tel No: 011-47016307

Noida

72. Shop No. G 32, Unitech Mall
Noida Amusement Park
Sector-38A, Great India Place
Noida 201 301
Tel No: 0120-6492889

73. F-14, Sector-18
Noida 201 301
Tel No: 0120-6491802

Panjim

74. 3293, M. G. Road
Panjim 403 001
Tel No: 0832-6641222

Patiala

75. Bhupindra Road
Next to Sigma Laboratory
Patiala 147 001
Tel No: 0175-5011777

Patna

76. Shop Nos. G 06 & 07, P & M Mall
Patliputra Industrial Area, Kurji
Patna 800 014
Tel No: 0612-2270710

77. D'Lal Building
Fraser Road
Patna 800 001
Tel No: 09234364382

Pune

78. 1204/22, Ground Floor
Shivaji Nagar
Junglee Maharaj Road
Pune 411 004
Tel No: 020-66019401

79. 11, Moledina Road
Pune 411 001
Tel No: 020-26121222

80. G-32, Koregaon Park Plaza Mall
Koregaon Park
North Main Road
Pune 411 001
Tel No: 020-30530195

81. WB-GF 13, Amanora Town Centre
Amanora Park Township
Hadapsar, Taluka Haveli
Pune 411 028
Tel No: 020-67267847

Raipur

82. Shop No. G19/20, Ground Floor
Chattisgarh City Centre Mall
Pandri
Raipur 492 001
Tel No: 0771-2582943

Ranchi

83. Unit T3, Third Floor
JD High Street Mall, Main Road
Ranchi 834 001
Tel No: 0651-2330909

Siliguri

84. Shop Nos. 20 & 21
Lower Ground Floor
Cosmos Mall
Sevoke Road
Siliguri 734 001
Tel No: 0353-2545254

85. Unit No. E 0007
City Centre
The Uttarayan Township
NH 31, Matigara
Siliguri 734 010
Tel No: 0353-6502370

Surat

86. Shop Nos. 312 & 313
Second Floor
Iscon Prozone Mall
Domas Road
Surat 395 007
Tel No: 0261-6454599

87. Shop Nos. 118 & 119
First Floor, Virtuous Mall
Rundh Village
Dumas Road, Magdalla
Surat 395 007
Tel No: 0261-6795059

Vadodara

88. Shop Nos. 42-44
Siddharth Complex
R. C. Dutt Road, Alkapuri
Vadodara 390 005
Tel No: 0265-2325756

89. Centre Square Mall, Near Genda Circle
Sarabhai Road
Wadi-Wadi
Vadodara 390 007
Tel No: 0265-6453740

90. G-18, Inorbit Mall, Gorwa Road
Vadodara 390 023
Tel No: 0265-2291011

Visakhapatnam

91. The Landmark, Shop No. G-4
Block No. 9, Waltair Road
Waltair Uplands
Visakhapatnam 530 019
Tel No: 0891-6645672

Shareholder Information

John Players Stores*

Bengaluru

92. No. 12/29, Gentry Plaza
11th Main, 4th Block, Jayanagar
Bengaluru 560 011
Tel No: 080-41103337
93. Shop Nos. 8-9, Total Mall
Madiwala
Bengaluru 560 068
Tel No: 080-41730902
94. 174, Brigade Road
Bengaluru 560 001
Tel No: 080-41512823
95. Shop No. 383, 2nd Main Road
Sampige Road, Malleswaram
Bengaluru 560 003
Tel No: 080-41678181
96. Shop No. 52, Chaitanya Plaza
Dr. D.V. Gundappa Road
Basavanagudi
Bengaluru 560 004
Tel No: 080-41709510
97. Shop No. 491/4, MCE Layout
Sahakara Nagar
Bengaluru 560 092
Tel No: 080-41125346

Chennai

98. Shop No. 68 (Old No. 89)
Sir Thygaraya Road
Pondy Bazaar, T. Nagar
Chennai 600 017
Tel No: 044-43502651
99. Shop No. F-129A
Spencer Plaza, Phase III
First Floor, 769, Anna Salai
Chennai 600 002
Tel No: 044-28492449
100. Shop No. 145, AA Block
Third Avenue, Anna Nagar
Chennai 600 040
Tel No: 044-42668000
101. Shop No. 141, Plot No. 616
LB Road, Adyar, Thiruvamyur
Chennai 600 020
Tel No: 044-42117806
102. Shop No. 82, Arcot Road
Kodambakkam
Chennai 600 024
Tel No: 044-42046060
103. Shop No. G 31, Phoenix Mall
Velachery Main Road
Chennai 600 042
Tel No: 044-30083402

Hyderabad

104. Shop No. 211, Third Floor
City Centre, Banjara Hills
Hyderabad 500 034
Tel No: 040-66662221
105. Shop No. 16-11-704/5/A/9 & 10
Main Road, Dilsukhnagar
Hyderabad 500 060
Tel No: 040-66562102

106. Shop No.1, MIG No. 329
Main Road, Dr. A. S. Rao Nagar
Hyderabad 500 062
Tel No: 09247070250

Kolkata

107. Shop No. 221, Mani Square Mall
164/1, Maniktala Main Road
Kolkata 700 054
Tel No: 033-40083015
108. 6/1, Lindsay Street
Kolkata 700 087
Tel No: 033-22497887
109. 200/2C, Rashbehari Avenue
Gariahat
Kolkata 700 029
Tel No: 033-24664928
110. 8, Brahma Samaj Road
Behala
Kolkata 700 034
Tel No: 033-24989752
111. Shop No. A-232, 2nd Floor
City Centre 1, Salt Lake, Sector-1
Kolkata 700 064
Tel No: 08584033422
112. Shop No. C001, Ground Floor
City Center 1, Salt Lake, Sector-1
Kolkata 700 064
Tel No: 08584033421
113. Shop No. B 104, City Center 2
Rajarhat, New Town
Kolkata 700 157
Tel No: 08584033426
114. P/157/1, CIT Road
Scheme-VII-M
Ultadanga Crossing
Kolkata 700 054
Tel No: 033-65295719
115. Shop No. 46, 1st Floor
Avani River Side Mall
32, Jagat Banerjee Ghat Road
Howrah 711 102
Tel No: 033-26780367
116. 271/A NSC Bose Road
Kolkata 700 047
Tel No: 033-24305940
117. Shop No. 3, 36C B.T. Road
Kolkata 700 002
Tel No: 09903499867
118. Shop No. 71, 46 M. Dutta Road
Dumdum Cantonment
Gorabazar
Kolkata 700 028
Tel No: 033-65015511

Mumbai / Thane

119. Shop No. 20
Shahid Bhagat Singh Road
Colaba
Mumbai 400 001
Tel No: 022-22876454
120. Unit Nos. 21-24
Nakshatra Mall, Ranade Road
Dadar (West)
Mumbai 400 028
Tel No: 022-24360794

121. Shop No. 2, First Floor
Akshay Plaza Co-operative Society
Chembur
Mumbai 400 071
Tel No: 022-25290004
122. Shop Nos. 1-4, Nadiadwala Chawl
SV Road
Andheri (West)
Mumbai 400 058
Tel No: 022-26203990
123. Shop No. F21, 1st Floor
R City Mall, Phase 1
L.B.S. Marg, Ghatkopar (West)
Mumbai 400 086
Tel No: 022-25175968
124. Shop No. G-68
Phoenix Market City Mall
Kurla (West)
Mumbai 400 070
Tel No: 022-61801574
125. Shop No. F09, 1st Floor
Growel Mall
Akurli Road
Kandivali (East)
Mumbai 400 101
Tel No: 022-67416370
126. Gala No. 3, 265-A
N.C. Kelkar Road
Shivaji Park
Dadar (West)
Mumbai 400 018
Tel No: 022-24313618
127. 170, Khandelwal Bhavan
Dr. Dadabhai Naoroji Road
Mumbai 400 001
Tel No: 022-22073738
128. Shop No. 40
Shanti Nath Shopping Centre
S.V.Road
Malad (West)
Mumbai 400 064
Tel No: 022-28883742
129. Shop No. F-23
Centre One Mall
Sector No. 30-A
Near Vashi Railway Station
Navi Mumbai 400 705
Tel No: 09323586375
130. Shop No. 10, Sector-42
Plot No. 43
Lalkrupa Co-operative Housing Society
Navi Mumbai 400 706
Tel No: 022-27719901
131. Shop Nos. 107/108, First Floor
Little World Mall, Sector-2
Kharghar
Navi Mumbai 410 210
Tel No: 022-27745036
132. Shop Nos. 11-12
Plot No. 123
Shri Samarth Gurukripa
Housing Society
Panvel
Navi Mumbai 400 706
Tel No: 022-27458666

Shareholder Information

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>133. Shop No. 7, Ground Floor
Kalash Udyan Shopping Centre
Plot No. 23, Sector-11
Koparkhairne
Navi Mumbai 400 709
Tel No: 022-27541881</p> <p>134. Shop No. 4
Abedin Apartment
Murbad Road
Kalyan (West)
Thane 421 301
Tel No: 09930099991</p> <p>135. Shop No. 14
Aster Apartment
Nalasopara West
Thane 401 203
Tel No: 0250-6065550</p> <p>New Delhi / NCR</p> <p>136. D-35, Lajpat Nagar
Central Market-II
New Delhi 110 024
Tel No: 011-46573240</p> <p>137. E-149, Kamla Nagar
New Delhi 110 007
Tel No: 011-47036020</p> <p>138. Shop No. 7/2, West Patel Nagar
New Delhi 110 008
Tel No: 011-25889043</p> <p>139. F-16, District Centre
Janak Place, Janakpuri
New Delhi 110 058
Tel No: 011-25618031</p> <p>140. G-54, Vikas Marg
Laxmi Nagar
New Delhi 110 092
Tel No: 011-22542495</p> <p>141. Shop Nos. FF 101 & 102
V3S Mall, East Centre
Vikas Marg, Laxmi Nagar
New Delhi 110 092
Tel No: 011-22446327</p> <p>142. G-125, Ground Floor
V3S Mall, East Centre
Vikas Marg, Laxmi Nagar
New Delhi 110 092
Tel No: 011-42808120</p> <p>143. F-144-D, Vijay Chowk
Laxmi Nagar
New Delhi 110 092
Tel No: 09810570107</p> <p>144. 13/29-30, Rachna Building
Ajmal Khan Road
Karol Bagh
New Delhi 110 005
Tel No: 011-45081500</p> <p>145. Shop No. 188
Sarojini Nagar Market
New Delhi 110 023
Tel No: 011-24676188</p> | <p>146. 154, Sarojini Nagar Market
New Delhi 110 023
Tel No: 011-24670783</p> <p>147. G-4, Bhagwati Plaza
Plot No.12, Sector-5
Dwarka
New Delhi 110 075
Tel No: 011-45700996</p> <p>148. D-12/201, Sector-8
Rohini
New Delhi 110 085
Tel No: 011-27941274</p> <p>149. D-89, Main Road
Malviya Nagar
New Delhi 110 019
Tel No: 011-26675189</p> <p>150. Shop No. 1056
Rani Bagh Market
New Delhi 110 034
Tel No: 011-42466315</p> <p>151. G-17, City Centre Mall
Plot No. 1B3
Sector-10, Rohini
New Delhi 110 085
Tel No: 011-27932901</p> <p>152. B-45/47, Connaught Place
New Delhi 110 001
Tel No: 011-23718149</p> <p>153. Shop No. 4-UB
Bungalow Road
Jawahar Nagar
New Delhi 110 023
Tel No: 011-23851929</p> <p>154. P-16, Pandav Nagar
Mayur Vihar Phase-1
New Delhi 110 091
Tel No: 011-22759456</p> <p>155. KG-1-310, M-Block
Vikaspuri
New Delhi 110 018
Tel No: 011-45023108</p> <p>156. Shop No. J-76
Rajouri Garden Main Market
New Delhi 110 027
Tel No: 011-47585006</p> <p>157. UG 03, Upper Ground Floor
DT Mega Mall
Golf Course Road
DLF Phase 1
Gurgaon 122 002
Tel No: 0124-4246065</p> <p>158. Shop No. 1, SS Line
Sector-14
Old Delhi Road
Gurgaon 122 001
Tel No: 0124-4360795</p> | <p>159. Shop Nos. 4-6
Arjun Plaza, Jagat Farm
Gamma - 1
Greater Noida 201 308
Tel No: 0120-2322563</p> <p>160. Shop No. AG-84, Etan Floor
Ansal Plaza
Greater Noida 201 308
Tel No: 0120-4237981</p> <p>161. Shop No. G-35, Sector-18
Noida 201 301
Tel No: 0120-4131686</p> <p>162. Shop No. 118
Ground Floor, Spice Mall
Sector-25A
Noida 201 301
Tel No: 0120-4205884</p> <p>163. Shop No. 169, First Floor
GIP Mall
Noida 201 301
Tel No: 0120-4569628</p> <p>164. Shop No. GB09, Ground Floor
Ansal Crown Plaza
Sector-15A
Faridabad 121 002
Tel No: 0129- 4013013</p> <p>165. Shop No. 3, SRS Multiplex
Sector-12
Main Mathura Road
Faridabad 121 007
Tel No: 0129-4013015</p> <p>166. 33B, Ground Floor
Crown Interiorz Mall
Delhi Mathura Road
Sector-35
Faridabad 121 003
Tel No: 0129- 4033016</p> <p>167. Shop No. 30
Mahagun Metro Mall
Plot No. VC-3
Vaishali
Ghaziabad 201 010
Tel No: 0120-4287684</p> <p>168. 17, New Gandhi Nagar
Ghaziabad 201 001
Tel No: 0120-4316713</p> <p>169. Shop Nos. 16,17, 46 & 47
Shipra Mall, Plot No. 9
Vaibhav Khand, Indirapuram
Ghaziabad 201 012
Tel No: 0120-4310466</p> <p>170. Shop No. 13
First Floor, EDM Mall
Kaushambhi
Ghaziabad 201 010
Tel No: 0120-4126712</p> <p>171. Shop No. 05, First Floor
Opulent Mall
Ghaziabad 201 001
Tel No: 09312023340</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

* In addition to the above, there are over 340 John Players Stores spread across the country in other cities/towns.

Shareholder Referencer

Unclaimed Dividend

Unclaimed dividend for the years prior to and including the financial year 2005-06 has been transferred to the General Revenue Account of the Central Government / the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

Shareholders who have not encashed their dividend warrants relating to financial year(s) up to and including 1993-94 may claim such dividend (transferred to the General Revenue Account) from the Registrar of Companies, West Bengal, Government of India, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4 A.J.C. Bose Road, Kolkata 700 020, by applying in the prescribed Form. This Form can be downloaded from the Company's corporate website www.itcportal.com under the section 'Investor Relations' or can be furnished by the Investor Service Centre of the Company (ISC) on request.

The dividend for the undernoted years, if remaining unclaimed for 7 years, will be statutorily transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent by the Company to the concerned Shareholders advising them to write to ISC with respect to their unclaimed dividend. Details of such unclaimed dividend are available on the Company's corporate website under the section 'Investor Relations'. Attention is drawn that the unclaimed dividend for the financial year 2006-07 is due for transfer to IEPF on 1st September, 2014.

Financial Year	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31/03/2014		Due for transfer to IEPF on
				(₹)	%	
2006-07	77th	27th July, 2007	11,66,29,29,029.00	6,36,53,589.00	0.55	1st September, 2014*
2007-08	78th	30th July, 2008	13,19,01,73,540.00	6,83,67,477.00	0.52	4th September, 2015
2008-09	79th	24th July, 2009	13,96,53,10,312.00	7,49,20,017.00	0.54	29th August, 2016
2009-10	80th	23rd July, 2010	38,18,17,67,900.00	19,92,19,440.00	0.52	29th August, 2017
2010-11	81st	29th July, 2011	34,43,47,81,921.00	19,42,47,935.00	0.56	4th September, 2018
2011-12	82nd	27th July, 2012	35,18,29,33,284.00	19,98,35,072.00	0.57	2nd September, 2019
2012-13	83rd	26th July, 2013	41,48,46,73,429.00	24,39,13,180.00	0.59	1st September, 2020

* It will not be possible to entertain any claim received by ISC after 29th August, 2014.

Unclaimed Shares

The status of unclaimed shares of the Company transferred to a demat account - 'ITC Limited - Unclaimed Suspense Account', in accordance with Clause 5A(II) of the Listing Agreement with Stock Exchanges, is given below:

	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2013	4,188	90,51,856
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	169	3,57,590
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	66 *	1,50,705
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2014	4,122	89,01,151

* 103 requests, in respect of 2,06,885 shares, were pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 89,01,151 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders.

Service of documents through Electronic Mode

The Notice, along with the Report and Accounts, has been sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the remaining Shareholders. Shareholders who are yet to register their e-mail addresses with the Company or with the Depository are once again requested to register the same. The Form for registration of e-mail addresses with the Company can be downloaded from the Company's corporate website under the section 'Investor Relations'.

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend to Shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer).

Shareholders who have not yet availed the NECS / RTGS / NEFT facility and wish to avail the same may have their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) number updated with their respective Depository Participants (DPs) or ISC where shares are held in the dematerialised form and in the physical form, respectively.

Bank Details

Shareholders holding shares in the physical form are requested to advise ISC of change in their address / mandate / bank details to facilitate better servicing.

Shareholders are advised that bank details as furnished by NSDL / CDSL or by them to the Company, for shares held in the dematerialised form and in the physical form respectively, will be printed on the dividend warrants as a measure of protection against fraudulent encashment.

Permanent Account Number (PAN)

Shareholders holding shares in the physical form are advised that it is mandatory to furnish copy of PAN Card in the following cases:

- i) Transferees' PAN Cards for transfer of shares,
- ii) Legal heirs' PAN Cards for transmission of shares,
- iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- iv) Joint holders' PAN Cards for transposition of shares.

Nomination Facility

Shareholders who hold shares in the physical form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, should submit to ISC the prescribed Forms; such Forms can be downloaded from the Company's corporate website under the section 'Investor Relations' or can be furnished by ISC on request.

Depository Services

Shareholders may write to the respective Depository or to ISC for guidance on depository services.

Address for Correspondence with Depositories

National Securities Depository Limited
Trade World, 'A' Wing, 4th & 5th Floors
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013

Telephone no. : 022-2499 4200
Facsimile no. : 022-2497 6351
e-mail : info@nsdl.co.in
website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor
Dalal Street
Fort
Mumbai 400 001

Telephone no. : 022-2272 3333
Facsimile no. : 022-2272 3199
e-mail : helpdesk@cdslindia.com
website : www.cdslindia.com

Address for Correspondence with ISC

Investor Service Centre
ITC Limited
37 Jawaharlal Nehru Road
Kolkata 700 071
India

Telephone nos. : 033-2288 6426 / 0034
Facsimile no. : 033-2288 2358
e-mail : isc@itc.in
website : www.itcportal.com

Shareholders holding shares in the dematerialised form should address their correspondence to their respective DPs, other than for dividend and Report and Accounts, which should be addressed to ISC.

In all correspondence with ISC, account numbers / DP ID & Client ID numbers should be furnished to facilitate prompt response. Shareholders are requested to also provide their e-mail addresses and contact numbers.

Report of the Directors

&

Management Discussion and Analysis

For the Financial Year Ended 31st March, 2014

Your Directors submit their Report for the financial year ended 31st March, 2014.

SOCIO-ECONOMIC ENVIRONMENT

The global economic scenario in 2013 remained challenging with output growth estimated at 3.0% - lower than the 3.2% growth recorded in 2012. Global economic activity picked up in the second half of the year, with much of the impetus coming from the Advanced Economies, raising hopes for an improved performance in 2014. The US economy grew by 1.9% in 2013, with the continued recovery of private domestic demand partly offset by the impact of heavy fiscal consolidation, which is estimated to have subtracted around 150 basis points from GDP growth. While the Euro Area contracted by 0.5% during 2013 as compared to 0.7% in the previous year, the region finally emerged from recession with output growth being positive from the middle of 2013 on the back of less fiscal drag and some buoyancy in private domestic demand. The Emerging Market & Developing Economies, as a group, saw a further slowdown in growth rates - from 5.0% in 2012 to 4.7% in 2013. While Brazil grew by 2.3% in 2013 against 1.0% in 2012 driven by strong consumer spending and investments, growth in China remained flat at 7.7% and other major constituent economies like India, Russia and South Africa recorded deceleration.

Global growth is expected to improve in 2014-15 following the late recovery observed in 2013. As per IMF estimates, world GDP growth is projected to strengthen from 3.0% in 2013 to 3.6% in 2014 and 3.9% in 2015, largely driven by the Advanced Economies, where growth is expected to increase from 1.3% in 2013 to 2.2% in 2014 and 2.3% in 2015. Within Advanced Economies, growth is likely to be strongest in the US at about 2.8% in 2014 driven by supportive monetary conditions and lower impact on

account of fiscal consolidation. Euro Area growth is likely to be varied with the core Euro countries expected to register stronger growth. Emerging Markets & Developing Economies are likely to grow modestly - from 4.7% in 2013 to 4.9% in 2014 and 5.3% in 2015. GDP growth in China is projected to remain at around 7.5% in 2014 as the government seeks to rein in credit growth and push through reforms towards achieving a more balanced and sustainable growth trajectory.

Despite the improved prospects as stated above, global economic recovery remains fragile with significant downside risks. New geopolitical risks emanating from the Ukrainian crisis, impact of a faster-than-anticipated withdrawal from monetary easing by the US and other developed countries on Emerging Markets & Developing Economies, continuing concerns of deflationary conditions and weak sovereign balance sheets in the Euro Area, and weakening growth in China are some of the key challenges facing global economic recovery.

Closer home, the Indian economy witnessed a rather challenging year with GDP growth slowing down to sub-5% for the second year in succession. The slowdown in the pace of growth is largely attributable to weakness in Industry which grew by only 0.7% during the year as per Advance Estimates released by the Ministry of Statistics and Programme Implementation. The Manufacturing sector, which accounts for 55% of Industry, de-grew by 0.2%. Growth in the Services sector stood at 6.9%, well below the trend growth levels. The only bright spot in an otherwise lacklustre economy was the Agriculture sector which grew by 4.6%, with record agricultural output.

Inflation remained high and sticky for most part of the year leading to the RBI hiking the Repo rate by 75 basis points since May '13. While headline inflation has

The Indian economy witnessed a rather challenging year with GDP growth slowing down to sub-5% for the second year in succession. The slowdown in the pace of growth is largely attributable to weakness in Industry which grew by only 0.7% during the year.

moderated in recent months, Core CPI inflation remains elevated at around 8% leaving little room for the RBI to ease policy rates to spur growth. Food inflation remains a key monitorable in the ensuing months given the likelihood of El Nino weather conditions and sub-par rainfall.

From a demand side perspective, growth in Private Final Consumption Expenditure (PFCE), the largest component of aggregate demand, slowed down further to only 2.5% during the first 9 months of 2013-14 as compared to 5.0% in 2012-13 and well below the 8.4% average growth recorded during the period 2007-08 to 2011-12.

Deceleration in the growth of Investments continued unabated, plummeting to 0.2% in 2013-14. The key causes for this sharp downturn include the cumulative impact of persistently high and sticky inflation levels in the economy leading to a high interest rate regime, lack of political consensus on policy reforms and weak investor sentiment in the backdrop of a sluggish global economy.

There was good news on the 'twin deficit' front. As per Revised Budget Estimates, Fiscal Deficit for the year was contained within target at 4.6% of GDP. Such fiscal consolidation was, in large measure, driven by a significant compression in Government expenditure rather than buoyancy in revenue collection given the slowdown in economic activity. The quality of fiscal consolidation leaves room for improvement with further curtailment of non-essential subsidies and better targeting of major subsidies being the key imperatives. The Current Account Deficit recorded significant improvement during the year, narrowing to an estimated 2.0% of GDP as compared to 4.7% in the previous year. Regulatory curbs on gold imports, higher exports on the back of a weak Rupee and import compression aided such improvement. Measures announced by the Ministry of Finance and the RBI during the year to attract capital flows, particularly from non-resident Indians, helped shoring up foreign exchange reserves and arresting the sharp depreciation of the Rupee Vs. the US Dollar witnessed during the period May '13 to August '13, and restoring stability in the currency markets.

As per median estimates, based on the Survey of Professional Forecasters conducted by RBI, the Indian economy is likely to post a moderate recovery in 2014-15. GDP growth is estimated to improve to around 5.5% supported by an anticipated pick up in investment activity in view of the part resolution of stalled projects, improved business and consumer confidence and expectation of lower inflation. External demand is expected to improve further during 2014-15 stemming from encouraging growth prospects in Advanced Economies. Tighter global financial and monetary conditions, risks to agricultural growth due to the likelihood of sub-normal monsoons given the impending El Nino weather conditions, possibility of a reversal in capital flows with the interest rate cycle picking up in Advanced Economies represent some of the key downside risks going forward. A stable government at the Centre, greater clarity and certainty in policies and fast track clearances of large projects would go a long way in engendering a much needed boost to investor sentiment and reviving the private investment cycle in particular.

Private Consumption remains one of the major growth engines of the Indian economy. With a large and growing population, significant additions to the working age population over the medium to long-term, rising affluence and literacy, increasing urbanisation and higher outlays on social schemes to foster inclusive growth - the structural drivers for rapid growth in consumption are in place. Even so, the continued deceleration in Private Consumption in 2013-14 is a cause of concern. One of the key reasons for such deceleration is the elevated level of inflation in the economy especially for food items due to the inadequate supply side response by the agricultural sector in the face of growing demand for value-added items. The need of the hour is to boost agricultural productivity and value addition by encouraging investments and adoption of best practices in agricultural value chains while simultaneously improving market linkages. Equally, there is an urgent need to focus on new job creation, which has averaged a dismal 2.3 million per annum during the 7 year period ended

The need of the hour is to boost agricultural productivity and value addition by encouraging investments and adoption of best practices in agricultural value chains while simultaneously improving market linkages. Equally, there is an urgent need to focus on new job creation.

Report of the Directors

2011-12 as compared to 12 million per annum during the 5 year period ended 2004-05, to address the unsustainable levels of unemployment especially amongst the youth. Stagnation in the manufacturing sector needs to be reversed at the earliest since robust industrial growth is essential for the creation of sustainable livelihoods and absorption of the increasing working age population of the country. Revival of industrial growth would be a critical boosting factor for domestic consumption as well.

While India remains one of the fastest growing major economies in the world, the slowdown in economic growth in the last 2 years is a cause of concern, being far below the desired levels and the country's potential. Given the low levels of per capita income and the fact that a significant proportion of our population lives in poverty, it is imperative that the economy reverts to its 8% to 9% growth trajectory sooner than later.

For a country like India which has a disproportionately low share of global natural resources relative to its large population, where millions continue to live in abject poverty, and a young demographic profile which entails 12 million people entering the job market every year, the focus both at the national and corporate level should be on fashioning strategies that foster sustainable, equitable and inclusive growth. Policies and regulations must be aligned towards encouraging businesses to adopt a low-carbon growth path and support the creation of sustainable livelihoods and societal capital. Differentiated and preferential incentives, in the form of fiscal or financial benefits to companies that adopt sustainable business practices would act as a force multiplier towards achieving this critical national goal. It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods and the preservation of natural capital with enhancing shareholder value. This 'Triple Bottom Line' approach to creating larger 'stakeholder value', as opposed to merely ensuring uni-dimensional 'shareholder value', is the driving force that defines your Company's sustainability vision and its growth path into the future.

Your Company is a global exemplar in 'Triple Bottom Line' performance and is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 12 years), 'carbon positive' (for 9 years), and 'solid waste recycling positive' (for 7 years).

The following sections outline your Company's progress in pursuit of the 'Triple Bottom Line'.

FINANCIAL PERFORMANCE

Your Company continued to deliver strong financial performance with healthy growth in revenues and high quality earnings. This performance is particularly commendable when viewed against the backdrop of the extremely challenging business context in which it was achieved, namely, a sluggish macro-economic environment which saw GDP growth remaining below 5% for the second year in succession, high inflation and a marked deceleration in the rate of growth of Private Final Consumption Expenditure; steep increase in taxes/duties on Cigarettes for two years in a row; weak demand conditions in the FMCG industry; gestation costs relating to the new FMCG businesses; sharp escalation in input costs in the Paperboards, Paper & Packaging Businesses and a weak demand & pricing environment in the Hotels business.

Gross Revenue for the year grew by 11.7% to ₹ 46712.62 crores. Net Revenue at ₹ 32882.56 crores grew by 11.1% primarily driven by a 16.0% growth in the non-cigarette FMCG segment, 14.7% growth in Paperboards, Paper and Packaging segment and 10.6% growth in the Cigarettes segment. Profit Before Tax registered a growth of 18.5% to ₹ 12659.11 crores while Net Profit at ₹ 8785.21 crores increased by 18.4%. Earnings Per Share for the year stood at ₹ 11.09 (previous year ₹ 9.45). Cash flows from Operations aggregated ₹ 10759.50 crores compared to ₹ 9596.24 crores in the previous year.

Your Company is one of India's most admired and valuable corporations with a current market capitalisation

A 'Triple Bottom Line' approach to creating larger 'stakeholder value' is the driving force that defines your Company's sustainability vision and its growth path into the future.

Report of the Directors

of over ₹ 270000 crores and has consistently featured amongst the top 10 private sector companies in terms of market capitalisation and profits. Over the last 18 years, your Company's Net Revenue and Profit After Tax recorded an impressive compound annual growth rate of 15.3% and 21.6% respectively. During this period, Return on Capital Employed improved substantially from 28.4% to 45.8% while Total Shareholder Returns, measured in terms of increase in market capitalisation and dividends, grew at a compound annual rate of 25.9%, placing your Company amongst the foremost in the country in terms of efficiency of servicing financial capital.

Your Directors are pleased to recommend a Dividend of ₹ 6.00 per share (previous year ₹ 5.25 per share) for the year ended 31st March, 2014. Total cash outflow in this regard will be ₹ 5582.90 crores (previous year ₹ 4853.49 crores) including Dividend Distribution Tax of ₹ 810.99 crores (previous year ₹ 705.03 crores).

Your Board further recommends a transfer to General Reserve of ₹ 880.00 crores (previous year ₹ 750.00 crores). Consequently, the Surplus in Statement of Profit and Loss as at 31st March, 2014 would stand at ₹ 6139.09 crores (previous year ₹ 3788.10 crores).

FOREIGN EXCHANGE EARNINGS

Your Company continues to view foreign exchange earnings as a priority. All businesses in the ITC portfolio are mandated to engage with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth. The ITC Group's contribution to foreign exchange earnings over the last ten years amounted to nearly US\$ 6.0 billion, of which agri exports constituted 57%. Earnings from agri exports, which effectively link small farmers with international markets, are an indicator of your Company's contribution to the rural economy.

During the financial year 2013-14, your Company and its subsidiaries earned ₹ 5068 crores in foreign exchange. The direct foreign exchange earned by your Company amounted to ₹ 4290 crores, mainly on account of exports of agri-commodities. Your Company's expenditure in foreign currency amounted to ₹ 2073 crores, comprising

purchase of raw materials, spares and other expenses of ₹ 1343 crores and import of capital goods at ₹ 730 crores. Details of foreign exchange earnings and outgo are provided in Note 31 to the Financial Statements.

PROFITS, DIVIDENDS AND SURPLUS

(₹ in Crores)

PROFITS	2014	2013
a) Profit Before Tax	12659.11	10684.18
b) Tax Expense		
– Current Tax	3791.13	2934.79
– Deferred Tax	82.77	331.00
c) Profit for the year	8785.21	7418.39
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
a) At the beginning of the year	3788.10	1972.59
b) Add : Profit for the year	8785.21	7418.39
c) Less:		
– Transfer to General Reserve	880.00	750.00
– Proposed Dividend [₹ 6.00 (2013 - ₹ 5.25) per share]	4771.91	4148.46
– Income Tax on Proposed Dividend		
• Current Year	810.99	705.03
• Earlier year's provision no longer required	(28.68)	(0.61)
d) At the end of the year	6139.09	3788.10

BUSINESS SEGMENTS

A. FAST MOVING CONSUMER GOODS

FMCG – Cigarettes

The Cigarette industry had to contend with a steep increase in Excise Duty for the second year in succession along with discriminatory and punitive increases in Value Added Tax (VAT) rates by some States. Such tax increases not only undermine the legal domestic cigarette industry and sub-optimize revenue potential from this sector but also fail to achieve the objective of tobacco control in the country.

According to various independent reports, there is a high degree of dual consumption with a significant number of cigarette consumers in India also consuming other forms of tobacco. High incidence of taxation and

Your Company is one of India's most admired and valuable corporations with a current market capitalisation of over ₹ 270000 crores and has consistently featured amongst the top 10 private sector companies in terms of market capitalisation and profits.

Report of the Directors

a discriminatory regulatory regime on cigarettes have, over the years, led to a significant shift in tobacco consumption to cheaper and revenue inefficient forms like bidis, chewing tobacco etc. Consequently, while India accounts for over 17% of world population, it has a miniscule share of only 1.8% of global cigarette consumption but constitutes nearly 84% of the global consumption of smokeless tobacco.

That demand for cigarettes is highly price elastic is borne out by the fact that tobacco consumption in the form of legal cigarettes declined from 86 million kg. in 1981-82 to 68 million kg. in 2013-14 even as total tobacco consumption in the country increased from 406 million kg. in 1981-82 to 577 million kg. in 2013-14 during the same period. Thus, while overall tobacco consumption is increasing in India, the share of legal cigarettes in overall tobacco consumption has declined from 21% to below 12%. In fact, India's annual per capita consumption at 96 cigarettes is amongst the lowest in the world compared to 2786 in Russia, 1841 in Japan, 1711 in China and 1028 in USA. The annual per capita cigarette consumption in neighbouring countries like Pakistan and Nepal at 468 and 420 respectively is also far higher than in India. [Source: *The Tobacco Atlas – 4th Edition* (American Cancer Society), 2012]

(Million kg.)

Year	Tobacco consumed in the form of cigarettes ^(a)	Tobacco consumed in other forms ^(b)	Total
1981-82	86	320	406
2013-14	68	509	577
Increase (+)/ Decrease (-)	-21%	+59%	+42%

Source: USDA/Internal estimates

(a) – represents Legal cigarette segment only

(b) – includes Illegal cigarette segment

The requirement therefore is an India-centric tax and policy framework for tobacco that cognises for the unique consumption pattern in the country.

The policy of high taxation narrowly focused on cigarettes has also led to the rapid growth of illegal cigarettes in India. According to independent studies, illegal cigarette

sales volumes increased by 7% during 2012 with India continuing to be the 5th largest market for illegal cigarettes. The size of the illegal industry in India, comprising smuggled foreign and domestic tax-evaded cigarettes, is currently estimated at 24.3 billion sticks per annum representing 19% of the overall cigarette market.

Cigarettes are a regulated industry with manufacturing permissible only with a government licence. However, under the Industries (Development & Regulation) Act, 1951 there is no requirement for obtaining an industrial licence for units which employ fewer than 50 workers with the aid of power or fewer than 100 workers without the aid of power. Taking advantage of this lacuna, many small units are manufacturing and offering to consumers regular size filter cigarettes at a convenient and low price of ₹ 1 per stick. Such low consumer prices are feasible only if taxes are evaded, as the Excise Duty component alone on a regular size filter cigarette is significantly higher than the price point. Your Company continues to represent to policy makers that all cigarette manufacturing units within the country, irrespective of size, be brought under compulsory licensing.

High taxes on domestic cigarettes have also led to an increasing demand for cheaper tax-evaded cigarettes. The revenue loss to the Government on account of this trade is estimated at over ₹ 6000 crores. In addition, as per various international studies, illegal tobacco trade ranks among the top three organised criminal activities in the world. Various research reports indicate that cigarettes are the largest contraband product in the world with the tax arbitrage being used for funding anti-social and terrorist activities. Studies such as the ones undertaken by the U.S. Committee on Homeland Security and the Centre for Public Integrity link cigarette smuggling internationally to organised criminal syndicates and terrorist organisations which utilise the funds for anti-social and unlawful activities.

The menace of illegal trade is compounded by the imposition of high VAT rates by States. Despite a consensus amongst the Empowered Committee of State Finance Ministers that all tobacco products would be taxed at Revenue Neutral Rates applicable to general

The policy of high taxation narrowly focused on cigarettes has also led to the rapid growth of illegal cigarettes in India. The size of the illegal industry in India, comprising smuggled foreign and domestic tax-evaded cigarettes, currently represents 19% of the overall cigarette market.

category of goods, there are 29 different tax rates currently applicable on cigarettes.

Uttar Pradesh and Punjab, which had increased VAT rates to punitive levels of 50% and 55% respectively, witnessed a huge decline in legal cigarette volumes even as illegal and duty-evaded cigarettes gained significant traction leading to loss of potential tax revenues. The recent pragmatic decisions of the State Government of Uttar Pradesh and Punjab to rationalise VAT on cigarettes is a step in the right direction and is already showing positive results in terms of revenue buoyancy and arresting the growth of illegal trade. Your Company continues to engage with other State Governments for reduction of VAT rates to moderate levels.

Till the introduction of VAT in 2007, cigarettes were subject to single point taxation by the Central Government. As per the provisions of Additional Excise Duty (Goods of Special Importance) Act, 1957, apart from Basic Excise Duty, tobacco products were subject to Additional Excise Duty (AED) in lieu of State level taxation. The proceeds from this component were exclusively distributed among States.

For a revenue sensitive product like cigarettes and given that about 90% of the value addition takes place at the manufacturers' end, several committees such as the Taxation Reforms Committee headed by Dr. Raja Chelliah and the Task Force on Indirect Taxes headed by Dr. Vijay Kelkar have recommended a single point Central taxation model for cigarettes in India. In addition, such a revenue efficient single point taxation system would help removing inter-state trade distortions and barriers in alignment with the principles of the proposed National Competition Policy which seeks to create a single unified national market.

If State level taxation of cigarettes needs to continue, it would be appropriate to implement and adhere to the original principle enunciated by the Empowered Committee of State Finance Ministers on VAT where all goods (other than goods that were exempt or subjected to concessional rate) were to be taxed at a common Revenue Neutral Rate. Going forward, the implementation

of the proposed Goods and Service Tax (GST) should ensure that revenue sensitive goods like cigarettes are subjected to uniform standard rates of tax applicable to general category of goods. The combined incidence of Excise Duty and GST should be revenue neutral i.e. maintained at current levels and all existing State level taxes should be subsumed into GST.

Your Company continues to engage with the authorities highlighting the need for moderation in tax rates across States to counter illegal products and to also ensure that State Governments are not deprived of their legitimate revenue dues.

A new segment of filter cigarettes of 'length not exceeding 65 mm' which was announced in the Union Budget 2012 has enabled the industry to continue making offers at the ₹ 2 per stick price point and partially contain the growth in the illegal segment.

While the response from the market has been encouraging, the high central Excise Duty rate of ₹ 689 per thousand applicable to this segment coupled with a steep increase in the rate and incidence of VAT, have made it difficult for the legitimate industry to fully counter the menace of illegal cigarettes. The industry continues to engage with policy makers for seeking a reduction in Excise Duty in this segment to enable making viable offers at competitive price points.

The Tobacco industry provides direct and indirect employment to 38 million people in India, primarily in the agriculture sector and contributes around ₹ 28000 crores to the Government exchequer apart from generating valuable foreign exchange earnings of more than ₹ 6000 crores.

Domestic illegal cigarettes use tobaccos of dubious and inferior quality while smuggled foreign cigarettes do not use any Indian tobaccos. This not only has an adverse impact on demand for high quality Indian tobaccos, but also a cascading impact on incomes of Indian farmers, long-term viability of the legal cigarette industry and Government revenues.

Representations continue to be made to policy makers to introduce a base level Customs Duty on imported

The Tobacco industry provides direct and indirect employment to 38 million people in India, primarily in the agriculture sector and contributes around ₹ 28000 crores to the Government exchequer.

Report of the Directors

cigarettes to prevent undervaluation, placement of tobacco and tobacco products including cigarettes in the restricted list of imports, exclusion of tobacco and tobacco products from preferential treatment under Free Trade Agreements that India is party to and a ban on manufacture of tobacco products in EOU and SEZ units.

Your Company believes that there is no inherent conflict between maximising the economic potential from tobacco and addressing tobacco control objectives. This can be achieved through moderation of taxes on cigarettes, minimisation of discriminatory taxes between different classes of tobacco products and a regulatory framework which addresses the genuine concern of all the stakeholders of the tobacco industry.

Despite a challenging business scenario, your Company, through a well-balanced portfolio of products, deep consumer insight and strong trade marketing capabilities successfully enhanced its market standing. During the year, your Company continued to make rapid strides towards building a future-ready business through a holistic approach towards portfolio planning and development of best-in-class products which offer superior and differentiated value propositions to consumers.

The year also saw your Company's entry into the Nicotine Replacement Therapy (NRT) space with the launch of KwikNic - a Nicotine chewing gum - in August 2013. In a category which has been traditionally dominated by the pharmaceutical industry and distributed primarily through chemist outlets, KwikNic has received encouraging market response based on its superior product and packaging quality.

Your Company's manufacturing facilities continue to meet the needs of an agile and flexible supply chain with globally benchmarked operating metrics and world-class quality.

In line with your Company's endeavour to adopt a low carbon growth path, the Munger and Ranjangaon factories achieved Platinum Rating by the Indian Green Building Council (IGBC). During the year, the Business also commissioned an additional 6 MW of wind turbines in Maharashtra and set up a solar power plant (80 KWp) on a pilot scale at its Kolkata factory. Work on

commissioning large scale solar power plants at the Munger and Kolkata factories is in progress while a bio-waste based boiler is being commissioned at the Bengaluru factory.

During the year, the Bengaluru factory received the 'Solid Waste Management Award' for effective management of solid waste from Bangalore Chamber of Industry and Commerce and the 'Water Award' for sustainable water management practices from Federation of Indian Chambers of Commerce and Industry. Munger factory received the first prize for Industrial Pollution Control from Bihar State Pollution Control Board and Saharanpur factory received Prashansa Patra Award for industrial safety from National Safety Council.

Harmonious employee relationships across units amidst a dynamic and challenging business environment enabled smooth operations during the year. The first Long Term Agreement (LTA) was successfully concluded at the Ranjangaon factory enabling greater flexibility and responsiveness in operations.

The regulatory environment is expected to be uncertain and the year ahead will indeed be challenging. To serve the interests of all stakeholders, your Company will continue to engage with policy makers for a balanced regulatory and fiscal framework for tobacco, equitable VAT rates across States and implementation of a uniform GST rate. Your Company remains confident that despite the severe pressures, its robust product portfolio, focus on world-class quality, innovation in processes, investments in cutting-edge technology and superior execution of competitive strategies will enable it to sustain its market standing in the years to come.

FMCG - Others

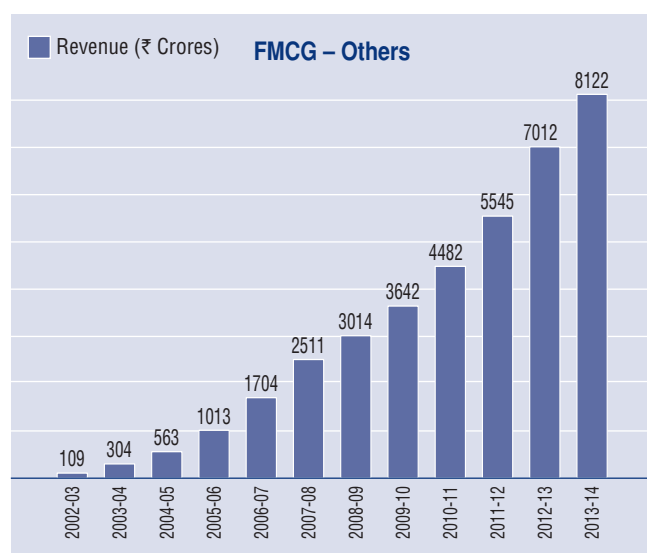
The FMCG industry witnessed a marked slowdown during the year in the backdrop of a challenging macro-economic environment which, inter alia, saw deceleration in the rate of growth in Private Final Consumption Expenditure (PFCE) for the second consecutive year. Categories involving higher discretionary spends or with relatively high penetration levels were impacted the most. The trend of premiumisation witnessed in recent

Your Company's manufacturing facilities continue to meet the needs of an agile and flexible supply chain with globally benchmarked operating metrics and world-class quality.

years in most major categories also did not carry through as strongly. While, in the near term, the industry is not expected to revert to its high growth trajectory witnessed over the last 10 years, the structural drivers of long-term growth remain firmly in place. Driven by increasing affluence, urbanisation and a young workforce on the one hand and relatively low levels of penetration and per capita usage on the other, the FMCG industry is poised to bounce back over the medium-term.

Your Company continues to rapidly scale up its new FMCG businesses leveraging its institutional strengths viz. deep consumer insight, proven brand building capability, a deep & wide distribution network, strong rural & agri-sourcing linkages, paper and packaging expertise and cuisine knowledge. In addition, your Company continues to make significant investments in Research & Development to develop and launch disruptive and breakthrough products in the market place.

The new FMCG businesses comprising Branded Packaged Foods, Personal Care Products, Education and Stationery Products, Lifestyle Retailing, Incense Sticks (Agarbattis) and Safety Matches have grown at an impressive pace over the past several years, with Segment Revenue crossing the ₹ 8000 crores mark during the year.



Despite a challenging operating environment, Segment Revenue grew by a healthy 16% during the year while profitability continued to show an improving trend. The FMCG-Others Segment recorded its maiden profit during the year with a PBIT of ₹ 22 crores representing a positive swing of ₹ 103 crores over FY13 driven by enhanced scale, operating leverage, supply chain efficiencies and strategic cost management initiatives.

Your Company has established a vibrant portfolio of brands such as 'Aashirvaad', 'Sunfeast Dark Fantasy', 'Sunfeast Dream Cream', 'Sunfeast Delishus', 'Bingo!', 'YiPPee!', 'Candyman', 'mint-o', 'Kitchens of India' in the Branded Packaged Foods space; 'Classmate' and 'Paperkraft' in Education & Stationery products market; 'Essenza Di Wills', 'Fiamma Di Wills', 'Vivel', 'Superia' and 'Engage' in the Personal Care Products segment; 'Wills Lifestyle' and 'John Players' in the Lifestyle Retailing business; 'Mangaldeep' in Agarbattis, 'Aim' in Matches and so on. These brands, which have been built organically by your Company, have attained considerable size in a relatively short period of 10 years and in aggregate currently represent over ₹ 10000 crores in terms of annualised consumer spend - a feat perhaps unrivalled in the Indian FMCG industry. These world-class Indian brands, which continue to garner increasing consumer franchise support the competitiveness of domestic value chains of which they are a part and create and retain value within the country.

Your Company's relentless focus on quality, innovation and differentiation backed by deep consumer insights, world-class R&D and an efficient and responsive supply chain will further strengthen its leadership position in the Indian FMCG industry.

Highlights of progress in each category are set out below.

Branded Packaged Foods

The Branded Packaged Foods industry recorded a deceleration in growth rates during the year with consumers curbing discretionary spending and seeking value-for-money offers. Notwithstanding such sluggish demand conditions, your Company's Branded Packaged Foods Businesses recorded improvement in market standing, growing well ahead of the overall industry.

ITC has established a vibrant portfolio of brands which have attained considerable size in a relatively short period of 10 years and in aggregate currently represent over ₹ 10000 crores in terms of annualised consumer spend – a feat perhaps unrivalled in the Indian FMCG industry.

Report of the Directors

The Branded Packaged Foods Businesses had to contend with unprecedented inflation in input costs, particularly during the second half of the year. Such cost pressure was, however, mitigated through a combination of product mix enrichment, value engineering, proactive sourcing and supply chain optimisation.

The Branded Packaged Foods Businesses continue to invest in consumer insight discovery, focused R&D and product development initiatives, and differentiated technology platforms to launch winning products catering to the ever evolving consumer tastes and preferences. Investments towards enhancing the manufacturing and sourcing footprint continue to be made across categories with a view to improving market responsiveness and reducing the cost of servicing proximal markets. The Businesses remain focused on delivering world-class quality across product categories and price points.

In the **Bakery and Confectionery Foods Business**, your Company increased the scale of its operations and improved market standing in a year that saw significant deceleration in industry growth and volume declines in certain segments. Your Company continued to enrich its portfolio of products under the 'Sunfeast' range despite the challenging environment with the launch of 'Sunfeast Delishus' gourmet cookies in two delectable variants viz., 'Nut Biscotti' and 'Nuts & Raisins', and 'Dark Fantasy Choco Fills Luxuria' in the super premium segment. The Business enhanced its offerings in the Health segment with the launch of the 'Sunfeast Farmlite' range in 2 variants - 'Oats & Raisins' and 'Oats & Almonds'. The Business sustained its market leadership position in the highly competitive cream biscuit segment leveraging its strong portfolio of brands and products.

In the Confectionery category, growth was driven by 'Candyman Jellicious' - a new jelly variant - and the fruit flavour portfolio. The Business has developed a number of new products/platforms and continues to focus on growing the 'Re. 1 & above' portfolio with a view to enhancing profitability.

In the **Snack Foods Business**, your Company recorded impressive gains in market standing in the fast-growing Savoury Snacks, Noodles & Pasta categories. In the Noodles category, 'Sunfeast YiPPee!' registered a robust

growth of nearly three times the industry average cementing its position as the fastest growing brand in the market. The Business also launched an innovative premium variant of Sunfeast YiPPee! Noodles with a Chinese Masala flavour and 'Tricolor pasta' format in 2 exciting variants. These products have received encouraging consumer response in launch markets.

In the Savoury Snacks segment, while industry growth was impacted by the overall slowdown, 'Bingo!' registered a robust growth primarily driven by the finger snacks portfolio comprising unique product formats and flavours under the 'Mad Angles', 'Tangles' and 'Tedhe Medhe' sub-brands. In line with its strategy of introducing innovative products catering to region-specific consumer tastes and preferences, the Business launched 'Bingo! Galata Masti' in the finger snacks sub-category for the southern markets, and 'Apnu Mithu' & 'Masala Jalsa' in the potato chips sub-category for the western markets. The Business also re-launched the potato chips range under the 'Bingo! Yumitos' sub-brand with a view to sharpening its positioning in the market. The potato chips range was augmented with the launch of Bingo! Yumitos flat cut chips in select markets with the product receiving good response from consumers. Use of digital media to spur word-of-mouth and clutter-breaking communication continued to improve brand salience.

Your Company's **Staples, Spices and Ready-to-Eat Foods Business** continued to grow at a rapid pace during the year. In the Staples category, 'Aashirvaad' atta consolidated its leadership position aided by strong performance of the value-added variants comprising Aashirvaad 'Multigrain', 'Select' and 'Superior MP' atta. Aashirvaad atta continues to gain consumer franchise aided by increasing preference for branded packaged atta, higher level of household consumption and focused campaigns that reinforce the brand's superior quality and blend attributes.

Given the relatively low levels of per capita consumption of processed food products in India, the Branded Packaged Foods industry is poised for rapid growth in the years ahead driven by favourable demographics, rising disposable incomes, increasing demand for healthy and hygienic products, increasing urbanisation and

Notwithstanding sluggish demand conditions, your Company's Branded Packaged Foods Businesses recorded improvement in market standing, growing well ahead of the overall industry.

awareness. Your Company is well positioned to establish itself as the 'most trusted provider of food products in the Indian market' leveraging a strong portfolio of world-class brands, deep understanding of the diverse tastes and preferences of Indian consumers, focus on best-in-class quality and operational excellence across the value chain.

Personal Care Products

Your Company's Personal Care Products Business made good progress during the year towards strengthening its product portfolio through a series of new launches and range extensions. During the year, the Business rolled out a number of differentiated product offerings in the Soaps, Shower Gel, Skin Care, Face Wash and Deodorant categories under the 'Fiama Di Wills', 'Vivel', 'Engage' and 'Superia' brands, and improved in-store brand salience of offerings under the 'Essenza Di Wills' brand. In keeping with its focus on addressing various consumer benefit segments through the introduction of innovative and differentiated products, the Business positioned Fiama Di Wills Gel Bathing Bar with skin conditioners as India's first skin conditioning shower gel in a bar format and modernised the Vivel portfolio with the launch of a unique skin nourishing range of soaps. New, visibly differentiated dual colour soaps were also introduced to strengthen the brand value proposition of nourishment through skin foods. The year also witnessed the launch of the second edition of the Fiama Di Wills Couture Spa Range of Gel Bathing Bars enriched with gold, skin conditioners and skin care enhancing ingredients. These interventions have been well received by consumers strengthening your Company's presence in the Personal Care industry.

The year also marked your Company's foray into the fast-growing Deodorants market with the successful launch of 'Engage' - a first-to-market range of deodorants for couples. This new range of deo sprays for men and women provides 24-hour freshness and has been crafted to enhance personal grooming and confidence. The brand has been well received in the market garnering impressive consumer franchise in a relatively short span of time.

As in previous years, the Business continued to receive accolades for its product innovation initiatives. The 'Vivel Cell Renew' line of premium skin care products received international accreditation from the renowned Skin Health Alliance, UK for product efficacy and safety.

Maintaining close connect with consumers has been a key strength of your Company's Personal Care Products Business. In this context, your Company has won the Silver award for its 'Face of the Year' campaign under the 'Rich Media Banner' category at the Indian Digital Media Awards.

Input prices came under intense pressure particularly in the second half of the year primarily due to an upturn in global palm oil and coconut oil prices coupled with a sharp depreciation of the Indian Rupee. The Business, however, managed its raw material costs effectively by closely monitoring market trends, developing alternative sources of supply and through prudent inventory management.

Sustained focus on development of innovative and consumer-centric products through in-depth consumer understanding coupled with dedicated R&D capabilities have enabled your Company's products gain consumer franchise despite competition from established global players. Your Company's strong focus on product development and robust product evaluation processes are key to achievement of consistently superior quality ratings, and development of a healthy pipeline of innovative products which are ready to go to market at an opportune time.

With per capita consumption at relatively low levels when compared to other emerging economies, the Indian Personal Care industry is poised for rapid growth driven by increasing urbanisation, rising disposable incomes and the increasing consumer preference for enhanced personal grooming. Your Company is well positioned to seize the emerging opportunities in this rapidly evolving industry and continues to invest in creation of vibrant brands, innovative consumer-centric products and a robust supply chain to emerge as a significant player in this space.

The year also marked your Company's foray into the fast-growing Deodorants market with the successful launch of 'Engage' - a first-to-market range of deodorants for couples.

Report of the Directors

Education & Stationery Products

The Education & Stationery Products Business recorded yet another year of robust growth in revenues, further consolidating its market standing. Your Company's flagship brand 'Classmate', continues to gain consumer franchise and is India's largest and fastest growing student stationery brand today.

Your Company continues to augment its product portfolio, deepen consumer engagement and invest in building an efficient and collaborative supply chain with a view to sustaining its leadership position in the industry. Your Company's brands - 'Paperkraft', 'Classmate Pulse', 'Classmate' & 'Saathi'- offer consumers a wide range of differentiated products addressing the specific needs of each segment. The Classmate portfolio today comprises offerings spanning notebooks, writing instruments including pens and pencils, scholastic products such as geometry boxes, scales, erasers and sharpeners as well as art stationery such as wax crayons, colour pencils and sketch pens.

During the year, the Business launched Classmate Pulse notebooks for college students as well as limited edition Paperkraft notebooks with dynamic finishes. With a view to expanding the market and enlarging the consumer base, your Company also launched a value brand - christened 'Saathi'- in select States. The initial response for these interventions has been encouraging and the products are being rolled out in target markets.

During the year, a dedicated product development cell was set up by the Business to work in tandem with your Company's Life Sciences & Technology Centre, Bengaluru to drive innovation, develop differentiated offerings, expand range and enhance value capture.

The Classmate notebook is a manifestation of the environmental capital built by your Company in its paper business. While the notebook cover is made from recycled board sourced from your Company's Forest Stewardship Council (FSC) certified Kovai mill, the paper used in the notebooks leverages your Company's world-class fibre line at Bhadrachalam which is India's first ozone treated elemental chlorine free facility.

Additionally, the collaborative supply chain established by the Business comprising 900 customers and 30 outsourced manufacturers, provides indirect employment to over 5,000 people. The small-scale manufacturers, with support from your Company, have built impressive quality and delivery capability resulting in a majority of them being certified to ISO 9001:2008 standards.

Enabling factors such as increasing literacy, enhanced scale of government & public-private initiatives in education and higher corporate spends in the education sector are expected to drive rapid growth of the Indian Education & Stationery Products industry. Your Company, with its collaborative linkages with small & medium enterprises and a strong product portfolio, is well poised to strengthen its leadership position in the Indian stationery market.

Lifestyle Retailing

During the year, the performance of your Company's Lifestyle Retailing Business was impacted by the slowdown in discretionary consumption expenditure. The Business remained focused on strengthening its market standing by continuing to invest in brand building, enhancing range architecture and product vitality to serve as the foundation for future growth and expansion.

In the Premium segment, 'Wills Lifestyle' with its high fashion imagery, growing desirability and rich product mix, continues to enjoy strong market standing and consumer bonding. The Business embarked on the strategy of establishing its sub-brands 'Wills Classic' in the formal wear segment, 'Wills Sport' in casual wear and 'Wills Clublife' in the party wear segment.

Product equity was enhanced with heightened focus on premium product platforms. Wills Classic 'Luxuria' - a finely crafted range of super-premium formals - and the Wills Classic 'Ecostyle' collection in natural-fibre products such as linens sharpened the premium imagery of the brand and aided higher value capture. Wills Classic 'Modernist' range, Wills Sport and Wills Clublife attracted newer and younger franchise leveraging high-fashion imagery and design language. The Women's collection was strengthened by offering an enhanced range of

Your Company's flagship brand 'Classmate', continues to gain consumer franchise and is India's largest and fastest growing student stationery brand today.

exclusive premium designer wear, stylised formals in an extensive variety of trendy silhouettes.

The retail presence of Wills Lifestyle has expanded to 91 exclusive stores in 40 cities and more than 700 'shop-in-shops' in leading departmental stores and multi-brand outlets. The brand is available in five Wills Lifestyle boutique stores in select ITC Hotels - ITC Grand Central in Mumbai, ITC Maurya in New Delhi, ITC Gardenia in Bengaluru, ITC Mughal in Agra and ITC Grand Chola in Chennai, enhancing brand availability to high-end business & leisure travellers.

Your Company's unique consumer loyalty programme 'Club ITC', with over 1.8 lakh members, serves as a platform for creating superior bonding with premium consumers and leverages synergies between Wills Lifestyle and ITC Hotels. During the year, sales of Wills Lifestyle products to Club ITC members increased significantly and the Business plans to increasingly leverage the programme in the ensuing years to enhance consumer connect.

In the 'Youth' segment, 'John Players' continues to expand its strong pan-India presence with over 400 flagship stores and 1600 multi-brand outlets and departmental stores. During the year, expanded retail presence was leveraged to increase brand reach, penetrate more markets and acquire new consumers. John Players continues to have a strong presence in the mind of the consumer and has become a leading brand in the segment with youthful products such as denims, knits and jackets. The denims sub-brand, 'John Players Jeans', continued to grow at a rapid pace, drawing in younger consumers with 'innovative' & 'adventurous' endorsements.

Your Company's brands continue to be driven on digital platforms including specific e-commerce portals. Digital presence on leading online partner portals complemented marketing efforts in the emerging social media platforms to enhance reach and accessibility to its target audience.

The Business will continue to focus on increasing the premium and fashion quotient of its offerings on the basis of a deep understanding of consumer preferences,

and delivering products of world-class quality. Further investments are being made in building brand salience, enhancing product vitality, improving supply chain responsiveness and delivering superior customer service to delight the customer with an international shopping experience.

Safety Matches and Incense sticks (Agarbattis)

The Agarbatti category recorded an impressive growth in revenues during the year, well ahead of the industry, driven by a growing franchise for the 'Mangaldeep' brand, superior consumer experience and enhanced distribution reach. Product portfolio was augmented during the year with the launch of variants such as 'Sadhvi', 'Mogra' and 'Sambrani' under the umbrella brand Mangaldeep. During the year, your Company attained market leadership in the 'Dhoop' segment.

Your Company sustained its market leadership in the Safety Matches category leveraging a strong brand portfolio across all market segments. However, continued escalation in prices of raw materials coupled with the proliferation of cheaper low quality products in the market, resulted in severe pressure on sales volumes and margins.

The Matches and Agarbatti Business continues to contribute to your Company's commitment to the 'Triple Bottom Line' supporting over 18,000 livelihoods mainly amongst rural women through small-scale and cottage sector units and women's self-help groups. The Business continues to partner small and medium enterprises in improving their processes and raising quality standards. Your Company continues to partner the small-scale sector by sourcing a significant portion of its Safety Matches requirement from multiple units in this sector. The technical inputs provided by your Company has helped improve the process capabilities of these units and enhance their competitiveness.

While the manufacture of Agarbattis is reserved for the small-scale & cottage sector in India considering its importance in employment generation, imports of raw battis (the principal raw material) are allowed at low Customs Duty rates. This is resulting in bulk of the raw

The Matches and Agarbatti Business continues to contribute to ITC's commitment to the 'Triple Bottom Line' supporting over 18,000 livelihoods mainly amongst rural women.

Report of the Directors

batti consumption in India being of imported origin leading to a loss of livelihood creation opportunities. Suitable policy changes in arresting this trend would go a long way in creating sustainable livelihoods especially among rural Indian women and tribals.

Technology induction in manufacturing is crucial for the long-term sustainability of the Safety Matches industry. A uniform taxation framework which provides a level playing field to all manufacturers is necessary to trigger the required investments for modernising this industry. Government policy should create this supportive environment to enable the industry to become globally competitive. Modernisation will also create a safe working environment for the working population engaged in this industry.

B. HOTELS

The hospitality sector continued to be adversely impacted by the weak economic environment prevailing in major international source markets and India on the one hand, and significant additions to room supplies in key Indian cities on the other. During the year, the domestic tourism industry remained sluggish with foreign tourist arrivals and domestic air travel growing at a modest 4.7% and 5.2% respectively. Industry performance was particularly impacted by the addition of over 8000 rooms in Delhi/NCR, Bengaluru, Chennai and Mumbai over the last 2 years.

Against the backdrop of such a challenging business environment, Segment Revenues saw a modest increase of 5.5% during the year. While your Company's Hotels Business maintained its leadership position in the industry in terms of operating margins, Segment Results were impacted mainly on account of the relatively weak pricing scenario and increase in operating costs in an inflationary environment.

Your Company's Hotels Business continues to be rated amongst the fastest growing hospitality chains with 100 properties across the country under 4 distinct brands - 'ITC Hotels' in the Luxury segment, 'WelcomHotel' in the Upper-upscale segment, 'Fortune Hotels' in the Upscale & Mid-market space and 'WelcomHeritage' in

the Leisure & Heritage segment. In addition to these brands, the Business has licensing and franchising agreements for two brands - 'The Luxury Collection' and 'Sheraton' - with Starwood Hotels & Resorts.

ITC Grand Chola, which was opened to guests in September 2012, delivered an impressive performance achieving cash profits in its first full year of operations. During the year, your Company actively pursued an 'asset right' strategy, bringing into its fold 4 new hotels in New Delhi, Chandigarh, Kollam and Kozhikode under the 'WelcomHotel' brand through management contracts. Apart from reducing the capital intensity of operations, the properties in Kollam and Kozhikode enabled the Business in expanding its footprint to Kerala - a key leisure market in the country.

The Food & Beverage segment continues to be a major strength of your Company with its iconic brands 'Bukhara' (recognised as 'Best in Country') & 'Dum Pukht' both featuring on the coveted 'S. Pellegrino Asia's 50 Best' list. The international food & beverage brands, including 'West View', 'Pan Asian', 'Edo', 'Shanghai Club' and the recently introduced Italian cuisine brand 'Ottimo' continue to gain traction and appreciation. Following the success of Ottimo at the ITC Grand Chola in Chennai, the brand was recently launched at the ITC Gardenia, Bengaluru.

In line with your Company's commitment to the 'Triple Bottom Line' the Hotels Business is in the process of enhancing renewable energy usage from the current level of 55% of total electrical energy requirements to around 80% by 2015. The Business is also making investments to reduce specific energy and water consumption to further enhance the green footprint of its operations while generating substantial cost savings. During the year, the Business rolled out branded luxury programmes embedded with sustainable practices like 'Green Banqueting' and 'WelcomAqua' at ITC Maurya reinforcing the 'Responsible Luxury' ethos of ITC Hotels.

During the year, the Business leveraged the 'Club ITC' loyalty programme to enhance revenues. The pan-ITC loyalty programme, targeted at the premium clientele of ITC's hotels and Wills Lifestyle, is fast gaining recognition in the industry and is well on its way of establishing itself

Your Company's Hotels Business continues to be rated amongst the fastest growing hospitality chains with 100 properties across the country under 4 distinct brands.

as the greenest and most admired customer loyalty programme in the near to medium term.

The long-term outlook for the Indian Hotels industry remains positive with prospects of revival in the global and domestic economy, and considering the fact that India is grossly under-roomed even when compared to some of the much smaller South-East Asian countries like Singapore, Malaysia and Thailand. Consequently, your Company remains committed to its investment-led growth strategy and is progressing several projects to enhance its scale of operations. Construction of the new super luxury golf and spa resort – ITC Grand Bharat, at the Classic Golf Resort, Manesar is nearing completion with the hotel expected to commence operations in mid-2014. Construction activity at the luxury hotel projects in Kolkata and Hyderabad is progressing satisfactorily. Good progress was also made during the year with regard to the Business's first overseas project in Colombo, Sri Lanka with concept design in completion stage and receipt of requisite approvals from the Sri Lankan Tourism Development Authority. Further, several new projects, including management contracts, are on the anvil to rapidly scale up the Business across all brands.

The 'Fortune' brand which caters to the 'Mid-market to Upscale' segment continued to expand its presence in the country with the addition of 4 new hotels during the year with another 9 in the pipeline. 'My Fortune Bengaluru', a flagship property under the Fortune banner, was launched in May '14. Additionally, 6 hotels are under various stages of development under the 'My Fortune' brand - the top-end range of the Fortune Hotels portfolio. The WelcomHeritage brand flagged off 3 hotels during the year and remains the country's most successful and largest chain of heritage hotels with 37 operating properties and 891 rooms spread across 13 States in India.

Your Company's Hotels Business, with its world-class properties, globally benchmarked levels of service excellence and customer centricity, is well positioned to sustain its leadership status in the Industry and to emerge as the largest hotel chain in the country over the next few years.

C. PAPERBOARDS, PAPER AND PACKAGING

During the year, the Paperboards, Paper and Packaging segment recorded a growth of 14.7% in Revenue aided by higher volumes and product mix enrichment. Segment Results were however impacted due to the steep hike in input prices particularly of wood, coal and chemicals.

Paperboards & Specialty Papers

Global demand for paper and paperboard in 2013 recorded a marginal increase of 1% over 2012 representing a below-trend growth for the third year in succession primarily on account of a weak global economic environment. In India, despite the slowdown in domestic growth, demand for packaging papers and boards remained relatively more resilient growing by 6% during the year driven by the health care, food and personal care segments. Demand for superior grades of writing and printing paper grew by around 10% during the year, primarily led by the school stationery, branded copier paper and educational books segments.

Overall Paperboard demand in India is projected to grow at a compound annual rate of around 6% over the next 5 years. The market for Value Added Paperboard is expected to grow in excess of 12% per annum during the same period driven by expectations of higher growth in the economy, increased demand for branded packaged products, organised retail and the use of packaging as a key differentiator especially in the FMCG sector. Such market potential is attracting new capacities in spite of the prevailing raw material shortages and pressure on industry profitability.

Further, reduction of import duties under various Regional Free Trade Agreements especially with ASEAN and increase in import of paper/paperboards are impacting the profitability of the domestic paper industry and the economic viability of the small paper mills. With the US and EU imposing anti-dumping duties against import of paper / paperboards from China/Indonesia to protect their domestic industries, the additional capacities created in these countries are increasingly finding their way into India given the low / nil rate of import duty.

ITC continues to focus on the Value Added Paperboard segment in which it is a clear market leader. The new paperboard machine, commissioned in March 2013 at the Bhadrachalam plant, has been fully ramped up.

Report of the Directors

In order to provide a level playing field to the domestic industry and encourage farming of wood within India given its large economic multiplier impact, there is clearly a need to review the current duty structure on import of Paper and Paperboard. Further, preferential duty rates should not be applicable to this category under Free Trade Agreements.

Your Company continues to focus on the Value Added Paperboard segment in which it is a clear market leader. The new paperboard machine, commissioned in March 2013 at the Bhadrachalam plant, has been fully ramped up and has helped in further consolidating your Company's pre-eminent market position in the Value Added Paperboard segment. This state-of-the-art paperboard machine is highly energy efficient with an installed capacity of over 1 lakh tonnes per annum. With this, the total capacity of the Bhadrachalam plant stands at over 5.5 lakh tonnes per annum, thereby sustaining its position as the single largest integrated pulp and paperboard / paper unit in India.

Your Company's superior product portfolio consisting of premium grades like 'Carte Lumina' and 'Cyber Premium' continued to drive growth in a challenging business environment. The Business also increased its penetration in the hosiery, apparels and publishing segments. During the year, the Business strengthened its supply network and improved service levels by leveraging strategically located 'quick service centres' and adding new distributors and stockists.

The Business continued to focus on product and process innovation towards developing differentiated and cutting-edge products. In this regard, the Business specially engineered paperboards for cigarette packaging to suit the new contour packs which are becoming the norm in the industry. Further, the Business launched 'NeoWhite Bliss' - a paperboard with a special fibre mix and high performance attributes including blister sealability - and co-created new and innovative packaging solutions with customers in the beverages and dairy products segments.

The Writing and Printing paper segment is projected to grow at a compound annual rate of around 7% in the medium-term. Growth in the value-added writing and

printing paper segment will continue to be fuelled by rising literacy levels, Government initiatives in the education sector, higher demand in the publication segment etc. With strong forward linkages with your Company's Education and Stationery Products SBU, the Business has emerged as a leading player in this segment and plans are on the anvil to enhance market presence.

In the Specialty Paper segment, your Company improved its position in the fine printing and pharma leaflet market. Your Company remains the market leader in Decor grades and the largest manufacturer of cigarette tissue in India.

Your Company continues to focus on promoting farm forestry plantations for pulpwood as access to adequate supplies of pulpwood at competitive prices remains a major challenge for the paper industry. The industry is currently facing an acute shortage of pulpwood especially in Andhra Pradesh, which is largely attributable to the sudden spurt in demand from new pulp capacities that have come up in Karnataka, Maharashtra and Odisha without adequate investments in pulpwood plantations. Diversion of supplies from Andhra Pradesh to meet shortages in other States and increase in alternative usage such as commercial poles, bio-fuel etc. have resulted in demand far exceeding supply leading to a steep escalation in pulpwood procurement prices during the year. This, along with inferior quality of wood due to early felling, has adversely impacted industry margins.

The current demand-supply mismatch is expected to be rectified over the next couple of years on the back of additional plantations by farmers due to the prevailing remunerative price levels and renewed efforts by pulp mills in promoting plantations in their core catchment areas. To mitigate the wood shortage in the short to medium term, the Business is deploying several options including procuring wood from other States, buying through tenders from State Forest Departments, imports etc.

With a view to mitigating the current wood fibre shortage and cost pressure, your Company remains focused on promoting pulpwood plantations in its core area of

Your Company has the distinction of being the first paper company in India to have obtained the Forest Stewardship Council - Forest Management (FSC-FM) certification.

operations. During the year, the Business sold/distributed high quality saplings and seeds to farmers that enabled planting of over 130 million saplings on nearly 21,000 hectares of plantation. With this, your Company's bio-technology based research initiatives have cumulatively resulted in the planting of about 793 million saplings leading to significant wasteland development and greening of over 163,000 hectares. As per estimates, this pioneering initiative has generated over 73 million person days of employment for tribal and marginal farmers. Your Company's recently commissioned state-of-the-art clonal sapling production facility is currently operating at peak capacity and will go a long way in supporting your Company's endeavour to augment pulpwood availability and meeting the ever growing demand for high quality saplings from the farming community.

Your Company's research on clonal development has resulted in the introduction of high yielding and disease resistant clones which are adaptable to a wide variety of agro-climatic conditions. Besides securing the long-term supply of fibre at competitive costs, this initiative also assists in generating farm incomes by utilising marginal wastelands. Your Company's continued focus on clonal plantations in core areas is expected to yield significant competitive advantage in the years to come. In this regard, the Life Sciences & Technology team of your Company is actively collaborating with several expert agencies to leverage bio-technology towards enhancing farm productivity, wood yields and improved fibre and pulp properties.

Your Company has the distinction of being the first paper company in India to have obtained the Forest Stewardship Council - Forest Management (FSC-FM) certification which confirms that the plantation activities of an organisation are economically, socially and environmentally viable. Your Company has received FSC-FM certification for around 22,800 hectares of plantations involving nearly 25,000 farmers. Plans are afoot to steadily increase coverage under FSC-FM certification over the next few years to enhance competitiveness and scale up business with environmentally conscious customers. Further, all four

manufacturing units of the Business have obtained the FSC-Chain of Custody certification. These certifications make your Company the leading supplier of FSC-certified paper and paperboards in India.

As stated last year, for the first time in the Indian paper industry, your Company has proactively attempted a biodiversity conservation project on private lands. Till date, 21 hectares of land belonging to farmers in Andhra Pradesh were selected and afforestation, reforestation, reclamation, rehabilitation, protection and conservation of biological resources along with integrated farming have been initiated. Further, your Company promoted natural regeneration, enrichment planting with native species and conserved species which were threatened and endemic.

In order to sustain these efforts, your Company is promoting local stewardship for biodiversity through awareness creation programmes, which will go a long way in reversing the impact created by anthropogenic pressures, integrating it with agriculture, pulpwood plantations, fishery, apiculture, medicinal plants and creating sustainable livelihoods for tribal farmers.

Solid waste recycling remains a key focus area for your Company. While all manufacturing units have already achieved near 100% solid waste recycling by its usage for making products like lime, fly ash bricks, grey boards, egg trays etc., the procurement and recycling of about 110,000 tonnes of waste paper during the year has further consolidated the Business's overall positive solid waste recycling footprint.

The Bhadrachalam unit received the 'National award for Excellence in Energy Management 2013' from Confederation of Indian Industry (CII). The project for 'Elimination of Non-condensable Gases & Foul condensate recycling by installation of Stripping Plant' has received the 'Most Innovative Environmental Project Award' and the 'Most Useful Project Award' from CII. The unit also received the 'State Energy Conservation Award 2013' from New & Renewable Energy Development Corporation of AP. The Bollaram unit won the 'FICCI Quality Systems Excellence Award' while the Kovai unit received the 'Environmental Best Practices

For the first time in the Indian paper industry,
ITC has proactively attempted a biodiversity conservation
project on private lands.

Report of the Directors

Award' from CII. The Project 'CO4 fodder grass as Boiler fuel by using effluent water' has won the 'Innovative Environmental Project Award' from CII.

Your Company continues to focus on various safety initiatives including induction of safety stewards, strengthening systems, spreading awareness and integrating Environment, Health and Safety (EHS) as part of the overall Total Productive Maintenance (TPM) initiative. With regard to energy consumption, strategies to contain usage across units continue to be pursued.

In line with your Company's objective of meeting 50% of its energy requirements through renewable sources, the Business has invested in green boiler, soda recovery boiler, solar and wind energy. The 7.5 MW wind energy farm in Coimbatore, continues to operate at optimum levels providing clean energy to the Kovai unit. It is expected that energy efficiency coupled with greater use of renewable sources of energy will enable your Company to derive benefits from sale of Renewable Energy Certificates (RECs). The project for setting up a 46 MW wind energy farm to provide clean power to your Company's plants in Andhra Pradesh is at an advanced stage of completion with commissioning expected in early 2014-15. Your Company has also successfully commissioned a new 12 MW Turbine Generator and a 72 tonnes per hour (TPH) Boiler to meet the energy requirements at its Tribeni plant. This power block has the capability to utilise lower grades of fuel and operate at higher levels of efficiency.

The year under review witnessed severe cost pressures in major inputs such as wood fibre, chemicals and coal. This was accentuated by the weakening and high volatility of the Rupee. However your Company, with its integrated operations and strategic cost management actions, was able to partially mitigate the adverse impact of such cost escalation.

The integrated nature of the business model comprising access to high-quality fibre from the economic vicinity of the Bhadrachalam mill, in-house pulp mill and state-of-the-art manufacturing facilities along with clear market leadership in value-added paperboards and a robust forward linkage with the Education and Stationery Products Business strategically positions your Company

to further consolidate and enhance its leadership status in the Indian paperboard and paper industry.

Packaging and Printing

Despite a challenging operating environment, your Company's Packaging and Printing Business recorded a robust growth in revenues during the year leveraging its state-of-the-art facilities across multiple packaging platforms to provide superior and comprehensive solutions to customers. Consequently, the Business strengthened its market standing as a leading supplier of value-added packaging in cartons and flexibles. Further, the Business continued to provide strategic support to your Company's FMCG businesses by developing innovative packaging solutions, facilitating faster turnarounds of new pack designs, ensuring security of supplies and delivering benchmarked international quality packaging at a competitive cost.

The recently commissioned world-class facility at Haridwar is operating at benchmark standards and has strengthened the Business's capability to effectively service demand in the northern markets. During the year, the Business added additional manufacturing capability to address the fast growing Labels market. The Business also made investments in backward integration to augment in-house print cylinder manufacturing capacity at its Chennai plant for faster turnarounds and enhanced competitiveness. Investments are in progress towards augmenting print cylinder making capacity at the Haridwar plant as well.

As in previous years, the Business won several awards during the year for operational excellence, innovation and creativity. These include one 'World Star Award' from World Packaging Organisation, six 'Asia Star Awards' from Asia Packaging Federation and eleven awards instituted by Indian Flexible Packaging & Folding Carton Manufacturers Association (IFCA) for excellence in packaging solutions.

The 14.1 MW wind energy farm in Tamil Nadu, set up in 2008, continues to provide clean energy to the Chennai unit. This initiative, which is in line with your Company's commitment to the 'Triple Bottom Line', is a certified project under the Clean Development Mechanism of the

The Packaging & Printing Business has positioned itself as a one-stop shop offering superior packaging solutions using state-of-the-art technology across multiple packaging formats.

Kyoto Protocol and is generating carbon credits and contributing towards the reduction of your Company's carbon footprint. Generation of wind energy during the year was partially affected due to infrastructural deficiencies impacting connectivity to the State power grid. The situation is expected to normalise in the near term with the deficiencies expected to be rectified shortly.

The factories at Chennai, Haridwar and Munger continue to maintain the highest standards in Environment, Health and Safety (EHS). All the three units are certified as per the Integrated Management System, consisting of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. The other accreditations include SA 8000:2008 (Social Accountability Certification) for the Chennai Unit and British Safety Council International Safety Standard Award & National Safety Council Suraksha Puraskar for the Munger Unit. The Haridwar plant achieved the highest 'Grade A' BRC/IOP certification (British Retail Consortium/ Institute of Packaging) for global standards in packaging and packaging materials - a key enabler for supplies to the packaged foods industry. The Business continues to be acknowledged as a key associate by several large FMCG companies in the country for providing packaging solutions.

The Packaging & Printing Business has positioned itself as a one-stop shop offering superior packaging solutions using state-of-the-art technology across multiple packaging formats. With world-class technology across a diverse range of packaging platforms, best-in-class quality systems and a distributed manufacturing footprint, the Business is well positioned to rapidly grow its external business even as it continues servicing the requirements of your Company's FMCG businesses.

D. AGRI BUSINESS

Leaf Tobacco

The declining trend of global cigarette demand continued unabated during the year due to steep hikes in taxation and the impact of stringent regulatory measures covering cigarette marketing, packaging/labelling and usage of additives. In line with this trend, global production of Flue Cured Tobacco registered a decline of 0.3% in 2013

while the Indian Flue Cured crop size recorded a growth of 6% over 2012. While the volume of Indian exports of Unmanufactured Tobacco remained flat in 2013-14 as compared to the previous year, the value of exports rose by 26% driven by continued buoyancy in demand for the Indian variety and a sharp depreciation of the Rupee in the current fiscal. Domestic farm prices for green leaf also increased significantly by around 20% over 2012 in tandem with the improvement in export realisations.

In spite of the challenging market context of flat global demand and rising domestic leaf prices, your Company strengthened its market standing as the largest Indian exporter of Unmanufactured Tobacco with a revenue growth of 29% during the year. The Business not only strengthened its presence in existing markets through its segmented offerings and collaborative crop development models but also expanded its customer base by acquiring new customers in new markets. The Business continued to provide strategic sourcing support to your Company's Cigarette Business meeting all requirements at competitive prices.

While global demand is projected to remain muted in the medium to long-term, offtake of the Indian crop by global majors would remain a function of its competitiveness relative to competing origins. On the strength of its deep rooted crop development expertise, your Company is well poised to play a pioneering role in positioning India as a preferred source of leaf tobacco and capture emerging opportunities in the global market.

Your Company has been a pioneer in promoting sustainable agriculture practices in the tobacco growing regions in Andhra Pradesh and Karnataka and has emerged as a global exemplar in this arena. Your Company has embedded sustainability as part of its business processes through the implementation of several initiatives towards promoting sustainable agriculture, improving farmer profitability and stimulating community development thereby transforming rural livelihoods. These key initiatives are anchored around the six dimensions of sustainability encompassing soil, water, labour, fuel, biodiversity and community development with a specific focus on soil fertility management, soil moisture conservation, seedling

Your Company, with its strong R&D capability, modern processing facilities, crop development and extension expertise and deep understanding of customer and farmer needs is in a position to leverage opportunities and address challenges that lie ahead for the Indian Leaf Tobacco industry.

Report of the Directors

production, micro irrigation, farm mechanisation, energy conservation and biodiversity protection.

Your Company's soil and water conservation initiatives in the Mysore region received the prestigious Karnataka State Award for natural resource conservation. Your Company's approach to soil sustainability in tobacco cultivation was published in the International Journal of Agriculture and Animal Sciences in Thailand. The concept of mobile telephony based crop advisory services to farmers for sustainable tobacco cultivation was recently recognised at the International Conference on Intelligent Agriculture in Hong Kong. Your Company has set up more than 10 biodiversity parks in rural areas this year in conjunction with local farmers, where more than 10,000 native species were planted, demonstrating the strong commitment of your Company towards protecting biodiversity.

Research and Development is an essential vector for spurring business growth and farmer prosperity. Your Company is pioneering region-specific production practices for enhancing yield and quality of farm produce. Further, substantial progress has been made to strengthen the pipeline of new hybrid combinations for deployment in specific growth zones.

In line with your Company's commitment to augment environmental capital, 100% of the electricity requirements of your Company's green leaf threshing plant in Mysore is currently met through wind energy. The Business is progressing further investments towards augmenting wind energy generation capacity with a view to meeting 100% of the electrical energy requirements of its green leaf threshing plants in Andhra Pradesh. The plant at Chirala has been awarded the Shreshta Suraksha Puraskar by the National Safety Council for the year 2013.

Your Company's thrust on re-engineering the supply chain led to a series of interventions including setting up of integrated supply chain planning systems, reconfiguring the network, augmenting warehousing capacities and mechanising operations. These initiatives generated substantial cost savings during the year apart from significantly improving operational efficiencies.

Your Company, with its strong R&D capability, modern processing facilities, crop development and extension expertise and deep understanding of customer and farmer needs is in a position to leverage opportunities and address challenges that lie ahead for the Indian Leaf Tobacco industry. The Business will continue to extend strategic sourcing support to your Company's Cigarette Business even as it sustains its leadership position as a major exporter of quality Indian tobacco thereby catalysing the multiplier impact of increased farmer incomes to benefit the rural economy.

Other Agri Commodities

Food grain production in India in 2013-14 recorded an all-time high of 263 million tonnes representing a growth of 2.4% over 2012-13. As per estimates, output of the 2 major food grains - wheat and rice - was higher than the previous year by about 1% and 2% respectively. Oilseed production recorded a significant increase of 7% to 33 million tonnes primarily driven by higher groundnut production. However, due to inclement weather conditions, soya bean production declined by 15% to 12.5 million tonnes.

During 2013-14, world wheat production increased by 56 million tonnes to about 713 million tonnes mainly due to increase in production in the Black Sea region (Ukraine, Russia), European Union, Canada and Australia. Increased production and surplus availability of wheat in the global markets increased challenges for export of Indian wheat. The Business leveraged its procurement expertise to sustain exports by competitively sourcing premium wheat varieties for key customers and garnering volumes from new customers. On the domestic front, the Business continued to expand its presence with brand owners, private labels, food processors and millers.

Global soya bean production maintained an increasing trend with output estimated at 284 million tonnes in 2013-14 representing an increase of about 16 million tonnes over the previous season. Such increase was mainly driven by higher output in the United States, Brazil and Argentina. Soya bean production in India however, saw one of the steepest drops in production in 2013-14. With global soya bean output at historical

**Your Company's deep rural linkages and expertise
in agri-commodity sourcing is a critical source of competitive advantage
for the Branded Packaged Foods Businesses.**

highs, international prices remained soft. Consequently, the domestic market witnessed an extremely challenging season with fewer trading opportunities. The Business leveraged its unique commodity sourcing model to minimise the impact.

Your Company's deep rural linkages and expertise in agri-commodity sourcing is a critical source of competitive advantage for the Branded Packaged Foods Businesses. Given the volatile market conditions caused by climatic variations, changes in government policies and global demand-supply dynamics, your Company has over the years invested in building competitively superior agri-commodity sourcing expertise through multiple business models, geographical spread and customised infrastructure. These capabilities and infrastructure have created structural advantages that facilitate competitive sourcing of agri raw materials for your Company's Aashirvaad atta and Bingo! Yumitos brands. The Business continues to focus on increasing the overall efficiency of procurement by pursuing cost optimisation initiatives including reducing distance travelled and eliminating non-value adding activities.

With the objective of sourcing the required quality of wheat from areas that are in close proximity of the atta manufacturing plants, the Business initiated a crop development programme in collaboration with research organisations like Indian Agricultural Research Institute, Directorate of Wheat Research, Punjab Agricultural University and Agharkar Research Institute. As a part of this programme, location-specific improved seed varieties along with appropriate package of agricultural practices were introduced in over 20,000 acres across Rajasthan, Uttar Pradesh, Bihar, West Bengal and Karnataka. With a view to supporting the future requirements of your Company, the Business continues to focus on building deeper capabilities in proprietary crop intelligence, sourcing & delivery network and crafting multiple customer-centric blends through cost-quality optimisation.

In the area of potato sourcing, the Business continued to source highest quality chip stock potato for your Company's brand, Bingo! Yumitos. The Business continued to work closely with farmers towards improving quality and yield, and introducing chip stock in newer

geographies with a view to sourcing a higher share of requirements closer to manufacturing centres.

India is the world's largest producer, consumer and exporter of spices. Growing concerns around food safety and product integrity have resulted in increased demand for suppliers with 'end-to-end' capabilities having complete custody of the supply chain, supported by appropriate technology, quality assurance and traceability management systems. Your Company is well poised to garner an increasing share of the fast growing domestic and export spices market leveraging its world-class processing unit which is certified to the highest grade of global food safety standards under the BRC (British Retail Consortium) Food certification regime and an IT enabled 'farm to fork' traceability system. The Business continues to provide support to your Company's Aashirvaad range of spices.

An integrated and holistic view of the agricultural value chain is essential towards providing the necessary fillip to stagnating agricultural growth in the country. This requires a joint participatory approach from all stakeholders such as farmers, input vendors, traders, processors and the government agencies. More than a decade ago, your Company conceptualised and rolled out the e-Choupal network as a platform to empower the farming community by dis-intermediating the value chain, making available accurate weather related information, enabling price discovery in a transparent manner, and disseminating best practices relating to farming. Your Company continues to focus on providing various services in rural areas towards enhancing the competitiveness of Indian agriculture and plays a critical enabling role in integrating farmers, input vendors and government agencies besides facilitating the necessary market linkages.

The Business will continue to leverage its deep rural linkages towards providing your Company's Branded Packaged Foods Businesses a distinct competitive advantage in sourcing high quality agri-commodities. The e-Choupal platform will also be increasingly leveraged to provide rural marketing and agri services and serve as a unique delivery mechanism towards enhancing agricultural growth and productivity, and fostering sustainable rural development.

The e-Choupal platform will also be increasingly leveraged to provide rural marketing and agri services and serve as a unique delivery mechanism towards enhancing agricultural growth and productivity, and fostering sustainable rural development.

Report of the Directors

NOTES ON SUBSIDIARIES

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21. In view of the general exemption granted by the Ministry of Corporate Affairs, the report and accounts of subsidiary companies are not required to be attached to your Company's Accounts. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's registered office and those of the subsidiary companies. Further, the report and accounts of the subsidiary companies will also be available under the 'Shareholder Value' section of your Company's website, www.itcportal.com, in a downloadable format.

ITC Global Holdings Pte. Limited, Singapore ('Global'), a subsidiary of your Company, is under winding up in terms of the Order of the High Court of the Republic of Singapore dated 30th November, 2007. Consequently, your Company is not in a position to consolidate the accounts of Global for the financial year ended 31st December, 2013 or to make available copy of the same for inspection by shareholders.

Surya Nepal Private Limited

Economic growth in Nepal slowed down to 3.6% for the fiscal year ended July 2013, as shortfalls in public expenditure depressed aggregate demand and agricultural output suffered from poor rainfall. Political uncertainty continued to hamper industrial activity, with services providing the only source of support for the economy. While the fiscal deficit situation improved, this was partly due to low public spending, which contracted in real terms. Despite muted growth in economic activity and fiscal contraction, inflation remained high and significantly above target. On the external side, Nepal's growing trade deficit continues to be financed by robust remittance transfers in the backdrop of a sharp depreciation of the local currency against the US Dollar. During the year under review, the political environment in Nepal stabilised with the caretaker Government successfully holding general elections and a coalition Government led by Nepali Congress, the largest party in the Constituent Assembly, taking over office in February 2014. A stable government, increase in salaries of government employees and the anticipated pick-up in government spending augur well for the Nepal economy.

In December 2013, the Supreme Court of Nepal vacated the stay on implementation of the Tobacco Products (Control & Regulation) Act, 2011 and the Directive and Rules framed thereunder. The tobacco industry, while seeking clarifications on certain provisions has sought transitional time from the Government for implementation, continues to engage with policy makers with the objective of having practical, reasonable and non-discriminatory legislation.

During the twelve month period ended 14th March, 2014 (30th Falgun 2070), the company recorded a Gross Revenue of Nepalese Rupees (NRs.) 1957 crores representing a growth of 17% over the previous year. Profit After Tax at NRs. 425 crores increased by 15% over the previous year. The company continues to be one of the largest contributors to the Government exchequer, accounting for about 14% of excise collections and 3% of the total revenues of the Government of Nepal.

During the year, the company consolidated its market standing in the cigarettes market by focusing on product quality, innovation and value-addition. Investments in best-in-class manufacturing technologies along with adoption of benchmarked practices ensured delivery of products of international quality. A new state-of-the-art leaf re-drying facility is being commissioned which is expected to improve quality and increase usage of domestic leaf tobacco. The second cigarette factory near Pokhara is nearing completion. This new facility, apart from ensuring continuity of supplies, is also expected to improve supply chain responsiveness. The company recently implemented SAP ERP, which would enable seamless integration of its business processes and aid faster and effective decision making.

In the branded apparels business, the company's brands 'John Players' and 'Springwood' remain the preferred choice of consumers in the premium and economy segments. In the safety matches business, the company's brand 'Tir' sustained its pre-eminent position in the market.

The company continues to support and invest in initiatives that enhance social and economic capital of the Nation in alignment with the stated priorities of the Government of Nepal. Accordingly, the company:

- a) continues to partner tobacco farmers in Nepal to enhance productivity and improve quality at the farm level through the induction of agricultural best practices. The adoption of such practices

and other inputs provided by the company has led to a consistent improvement in quality of domestic grades of tobacco thereby improving marketability of the crop and farmer returns.

- b) continues to assist farmers in growing high quality Poplar saplings in the vicinity of the Simara plant.
- c) continues to support the animal husbandry extension services initiative with a view to improving yield and enhancing incomes of underprivileged farmers.
- d) partnered with Nepal Tourism Board in hosting Nepal's premier professional golf tournament – the 'Surya Nepal Private Limited Masters', with the objective of promoting Nepal as an attractive tourist destination.
- e) sponsored the 'Surya Nepal Private Limited Asha Social Entrepreneurship Awards', to recognise individuals who have made a difference in their communities and created employment opportunities amongst local communities.

The company declared a dividend of NRs. 173/- per equity share of NRs. 100/- each for the year ended 15th July, 2013 (31st Ashad 2070).

ITC Infotech India Limited

The global IT industry grew by 1.6% during 2013 compared to 1.3% in 2012. While projections made at the beginning of the year forecast a growth of 4.3%, the anticipated pick-up in demand did not materialise primarily on account of a slower than expected economic recovery in the US and European markets.

In contrast to the global situation, as per figures released by NASSCOM in February 2014, the Indian IT industry is estimated to have grown by approximately 13% in 2013-14 with both global multinationals and Indian IT companies driving offshoring aggressively to achieve cost and price competitiveness. Further, the Indian IT industry benefited from the weakening of the Indian Rupee during the year.

Reflecting the buoyancy enjoyed by Indian IT companies during the year, the company's consolidated Total Revenue grew well above the industry average, clocking a growth of 26% to ₹ 1278.75 crores, while its Net Profit grew by 29% to ₹ 86.26 crores. This robust performance is an outcome of continuing success in the strategies adopted by the company in (i) identifying and investing in new technology based growth drivers, (ii) striving to

create cutting-edge capabilities in each of its existing service lines, (iii) building solutions and capabilities around the products of global software vendors and partnering with them to take the products to the market, (iv) offering new and value-added services to existing customers with high potential, (v) focused geographical expansion to develop new markets and acquire customers, and (vi) cost management and resource optimisation while balancing growth led investment imperatives.

For the year under review:

- a) ITC Infotech India Limited registered a Total Revenue of ₹ 925.90 crores (previous year ₹ 706.65 crores) and a Net Profit of ₹ 101.21 crores (previous year ₹ 68.72 crores);
- b) ITC Infotech Limited, UK, (I2B) a wholly-owned subsidiary of the company, registered a Turnover of GBP 25.29 million (previous year GBP 25.03 million) and a Net Profit of GBP 1.18 million (previous year GBP 1.86 million). For the year under review, I2B declared a Dividend of GBP 3 (previous year GBP 3) per Ordinary Share of GBP 1 each on 685,815 shares, amounting to GBP 2,057,445 (previous year GBP 2,057,445) to the company;
- c) ITC Infotech (USA), Inc., (I2A) a wholly-owned subsidiary of the company, together with its wholly-owned subsidiary Pyxis Solutions LLC, registered a Total Revenues of US\$ 70.61 million (previous year US\$ 63.20 million) and a Net Profit of US\$ 0.17 million (previous year US\$ 0.91 million). For the year under review, Pyxis Solutions LLC declared a dividend of US\$ 0.5 million (previous year: NIL) to ITC Infotech (USA), Inc.

During the year, the company created an independent business unit focused on Treasury and Capital Markets related IT technologies, aligned with a global Independent Software Vendor. In a relatively short span of time, the unit has gained encouraging traction amongst banking customers and is poised to drive business growth.

The company offers services to a wide customer base including several marquee customers, many of whom command leadership positions in their respective business segments.

During the year, the company consolidated its focus on Middle-East, Africa, India and the larger Asia-Pacific region and expanded its sales force in each of

Report of the Directors

these regions. Consequently, the company achieved significant progress in new customer acquisition, particularly in Australia, India and Middle-East. The company has also extended its service lines to specific markets in Western Europe and in North America.

The company's superior service delivery capability continued to earn global recognition. The company has featured for the 8th consecutive year amongst the 'Leaders Category' in the '2013 Global Outsourcing Top 100' by the International Association of Outsourcing Professionals (IAOP). The company also featured for the 9th consecutive year in the Global Services 100 survey, conducted by Global Services and Neo Advisory. The company achieved ISO 9001:2008 re-certification for all its locations as well as ISO/IEC 20000-1:2011 certification for its IT Infrastructure Managed Services for External Clients.

The economic recovery visible in the US and European markets, emergent demand from new markets and evolving new generation technological skills, have reinforced the need to ensure a seamless supply chain of skilled resources. While good talent remained scarce, the company's talent search and retention strategies ensured that a robust and high quality resource supply chain was available in line with growth requirements. The company has broadened its channels for sourcing quality talent and has strengthened its capability building processes through college affiliations, technology incubation cells and employee ideation panels. The company remains focused on its endeavours to enhance employee engagement, invest in employee friendly policies and enable facilitation for smooth transition of talent across various geographies. Going forward, the company will continue to review and reinforce its strategies and action plans to rapidly scale up its global footprint. Building additional technology specialisation continues to be a priority area, and SMAC (Social media, Mobility, Analytics and Cloud computing) remains at the forefront of this technology ecosystem. The company has set up a focus group to tap the emerging opportunities in this space and continues to invest in identified capability building niches within this technology segment.

The outlook for the Indian IT industry remains buoyant with NASSCOM predicting a growth of 13% in the forthcoming year as well. The company is poised to scale up its operations significantly leveraging its ability to offer distinctly superior solutions to its customers based on deep domain knowledge, strong delivery capability and above all, a superior customer experience.

Russell Credit Limited

During the year, the company registered a Total Revenue of ₹ 65.52 crores (previous year ₹ 69.66 crores) and a Net Profit of ₹ 34.57 crores (previous year ₹ 58.96 crores). The company paid a dividend of 10.05% aggregating ₹ 65 crores for the year ended 31st March, 2014.

The company continues to explore opportunities to make strategic investments for the ITC Group and deploy temporary surplus liquidity primarily in debt mutual funds.

Wimco Limited

The company achieved a Net Revenue of ₹ 162.14 crores during the year (previous year ₹ 165.62 crores) and posted a Net Loss for the year of ₹ 11.54 crores (previous year Net Profit ₹ 1.90 crores) after considering a provision of ₹ 5.99 crores on account of permanent diminution in value of investment in a subsidiary company and ₹ 8.40 crores towards provision for loans given to a subsidiary company, the recovery of which is now considered doubtful. Writ petitions filed by Pavan Poplar Limited and Prag Agro Farm Limited, subsidiaries of the company, against the order of the District Magistrate authorising State authorities to take possession of the land leased to the said subsidiaries, was disposed of by the Honourable High Court in favour of the State Government. Though the subsidiary companies have filed an appeal against the said orders, as a measure of prudence, the company has created the aforesaid provisions during the year.

Margins in the Safety Matches business continued to remain under pressure mainly due to escalation in prices of raw materials like wood, splints, paperboard, key chemicals and the continuing high tax differential between the mechanised and non-mechanised sector. The company continues to focus on cost rationalisation and margin improvement.

During the year, the Agri (Forestry) business revenues grew by around 4%. The Agri (Forestry) business supplied high quality poplar ETPs (Entire Transplants) and eucalyptus saplings to farmers in northern India to enhance availability of wood to Safety Matches business at competitive prices. Apart from creating a long-term sustainable supply of a critical raw material, the company's initiative is helping create employment and livelihood opportunities while improving the green cover in the region.

The Engineering business revenues grew by 3% during the year. The company continues its efforts to leverage

new and improved product design to offer superior packaging solutions to its customers.

During the year, the scheme involving demerger of the non-engineering business of the company into ITC Limited (parent entity) with effect from 1st April, 2013, has been sanctioned by the Honourable Bombay High Court on 10th April, 2014 and by the Honourable Calcutta High Court on 14th May, 2014. The certified copies of the Orders are awaited.

Srinivasa Resorts Limited

During the financial year ended 31st March, 2014, the company recorded a Total Revenue of ₹ 53.28 crores (previous year ₹ 50.61 crores) and a Net Profit of ₹ 3.33 crores (previous year ₹ 4.44 crores).

The challenging environment in the State of Andhra Pradesh continued to have an adverse impact on the performance of the company's hotel ITC Kakatiya, Hyderabad. The hotel continued to focus on superior guest experience and strategic cost management to sustain market standing and protect margins.

During the year, ITC Kakatiya received the 'Times Food Guide' awards for 'Dakshin' (Best South Indian restaurant) and for 'Marco Polo' (Best Bar). The hotel also received a special prize for 'Best Landscaping within the 5 Acre Category' from the Department of Horticulture, Andhra Pradesh. The Hotel also achieved the '3 Star Rating for Appreciation in EHS Practices' awarded for the year by CII.

During the year, a land parcel measuring about 4.27 acres in Amritsar was assigned to the company by ITC Ltd. for the development and operation of a full services hotel. In this regard, project design has been finalised and statutory approvals are in the process of being obtained.

The Board of Directors of the company has recommended a dividend of ₹ 0.50 per equity share of ₹ 10/- each for the year ended 31st March, 2014.

Fortune Park Hotels Limited

During the financial year ended 31st March, 2014, the company recorded a Total Revenue of ₹ 24.85 crores (previous year ₹ 23.22 crores) and earned a Net Profit of ₹ 6.25 crores (previous year ₹ 5.97 crores).

The company's Fortune hotel chain that caters to the 'mid-market to upscale' segment continued its expansion by forging new alliances, taking the total number of

hotels in its fold to 71 with an aggregate inventory of over 5,600 rooms. The 'Fortune' brand now has 42 operating hotels and another 6 hotels are slated to be commissioned in the ensuing year. The remaining 23 hotel projects are under various stages of development. The brand remains a frontrunner in its operating segment and is well positioned to sustain its leadership position in the industry.

The company is well known for providing quality products and services which have helped position 'Fortune' as the premier 'value' brand in the Indian hospitality sector. In addition to 'My Fortune Bengaluru', which was launched in May'14, plans are on the anvil to launch another 6 properties under the 'My Fortune' brand in the forthcoming years.

During the year, the company bagged the 'Best Mid-Market Hotel Chain' award by Hotelier India, 'Best First Class Business Hotel Chain' by Hospitality India and Explore The World Award 2013 & 'Best First Class Full Service Business Hotel Chain in India 2013' by PATWA, ITB Berlin.

The Board of Directors of the company has recommended a dividend of ₹ 12.50 per equity share of ₹ 10/- each for the year ended 31st March, 2014.

Bay Islands Hotels Limited

During the financial year ended 31st March, 2014, the company recorded a Total Revenue of ₹ 1.62 crores (previous year ₹ 1.52 crores) and Net Profit of ₹ 1.03 crores (previous year ₹ 0.97 crores).

The company's hotel, Fortune Resort Bay Island in Port Blair, continues to command patronage in the city primarily due to its location, excellent architectural design and superior service quality. The company is planning to undertake a comprehensive renovation and expansion programme with a view to enhancing the market standing of the hotel.

The Board of Directors of the company has recommended a dividend of ₹ 70.00 per equity share of ₹ 100/- each for the year ended 31st March, 2014.

Landbase India Limited

The company owns and operates the Classic Golf Resort, a Jack Nicklaus Signature Course, near Gurgaon. As reported in the previous years, golf based resorts present attractive long-term prospects in view of their growing popularity all over the world. The work towards creating

Report of the Directors

a destination luxury resort hotel at the Classic Golf Resort is nearing completion and operations are likely to start by mid-2014.

During the financial year ended 31st March, 2014, the company recorded a Total Revenue of ₹ 12.85 crores (previous year ₹ 11.82 crores) and Net Loss of ₹ 2.76 crores (previous year ₹ 3.81 crores). During the year, the company issued and allotted to ITC Ltd., 4,20,00,000 Equity Shares of ₹ 10/- each for cash at par, aggregating ₹ 42 crores and 8,00,000 Redeemable Preference Shares of ₹ 100/- each for cash at par, aggregating ₹ 8 crores. The proceeds from the Share issue are being utilised by the company for the construction of the destination luxury resort hotel.

WelcomHotels Lanka (Private) Limited

WelcomHotels Lanka (Private) Limited ('WLPL'), a wholly-owned subsidiary of ITC Ltd., India, was incorporated in Sri Lanka with the objective of constructing, building and operating a mixed use development project ('Project') including a luxury hotel at Colombo. The Board of Investment of Sri Lanka provided about 5.86 acres of prime sea-facing land in Colombo to the company on a 99-year lease for this purpose.

Your Company's investment in WLPL stood at US\$ 78.90 million as at 31st March, 2014.

All major consultants and architects have been appointed and WLPL is in the process of finalising the design and product configuration of the proposed development. The company is in the process of obtaining the requisite statutory permissions to commence construction activity at the site.

Technico Pty Limited

The company continued to focus on upgradation and commercialisation of TECHNITUBER® Technology and customising its application across various geographies. Besides, the company is engaged in the marketing of TECHNITUBER® seeds to global customers from the production facilities of its subsidiaries in India and China. The Indian and Canadian subsidiaries are also engaged in field multiplication of seeds.

Technico's leadership in the production of early generation seed potatoes and strength in agronomy continue to be leveraged by your Company not only for sourcing chip stock for the 'Bingo! Yumitos' range of potato chips but also for servicing the seed potato requirements of the

farmer base associated with your Company's Agri business.

For the year under review:

- a) Technico Pty Limited, Australia registered a Turnover of Australian Dollar (A\$) 2.23 million (previous year A\$ 1.39 million) and a Net Profit of A\$ 0.44 million (previous year A\$ 0.14 million). Turnover and Profit continued to improve due to the strong demand for TECHNITUBER® seed from global customers.
- b) Technico Agri Sciences Limited, India registered a Net Revenue of ₹ 73.24 crores (previous year ₹ 64.04 crores) and a Net Profit of ₹ 14.09 crores (previous year ₹ 17.48 crores including the favourable impact of recognition of deferred tax credit of ₹ 3.80 crores). The demand for the company's seeds remained robust driven by the strength of its brand, product quality, on-field performance and enduring trade and customer relationships. This enabled your Company to mitigate the increase in production costs during the year consequent to weather related crop loss and higher rottage.
- c) Technico Asia Holdings Pty Limited, Australia, Technico Technologies Inc., Canada and Technico Horticultural (Kunming) Co. Limited, China – There were no significant events to report with respect to the above companies.

North East Nutrients Private Limited

During the year, your Company entered into a joint venture for setting up a food processing facility in Mangaldoi, Assam for manufacture of biscuits to cater to the fast-growing market in the north-eastern States. Under the terms of the Joint Venture Agreement, your Company acquired 76% stake in North East Nutrients Private Limited (NENPL), the joint venture company. Project work for setting up the manufacturing facility is currently in progress.

Your Company's investment in NENPL stood at ₹ 11.40 crores as at 31st March, 2014.

King Maker Marketing, Inc.

King Maker Marketing Inc. (KMM) is a wholly-owned subsidiary of your Company registered in the State of New Jersey, USA. It is engaged in the distribution of your Company's cigarette products in the US market.

The US Cigarette market continued on a declining trend with consumption degrowing by nearly 4% in 2013 as compared to the previous year. This degrowth is largely attributable to steep hikes in State Excise Taxes and the continued growth in the Other Tobacco Products (OTP) category, which remains largely unregulated by the US Food and Drug Administration (US FDA).

The continued push by major cigarette manufacturers into the value segment and growth in illicit sales driven by tax differentials between the various States in USA have limited the company's ability to adjust pricing and grow volumes.

The company recorded Net Sales of US\$ 26.85 million (previous year US\$ 26.37 million) and earned a Net Income of US\$ 0.07 million (previous year US\$ 1.20 million) during the financial year ended 31st March, 2014. Financials for the previous year ended 31st March, 2013 included US\$ 1.76 million received as a result of a favourable arbitral award, memorialising a partial settlement between certain States and the Participating Manufacturers to the Master Settlement Agreement, on payments disputed in previous years. During the year, KMM paid a dividend of US\$ 2.00 million to your Company.

Government regulations pertaining to the US tobacco sector continue to be in a state of evolution. The industry, including Other Tobacco Product categories like Electronic Vaping Devices, Pipe Tobaccos and Cigars, is expected to consolidate further as US FDA regulations evolve. The company will continuously adapt its strategies based on emerging regulations in the US tobacco market.

ITC Global Holdings Pte. Limited

The Judicial Managers had been conducting the affairs of ITC Global Holdings Pte. Limited ('Global') since 8th November, 1996 under the authority of the High Court of Singapore. Pursuant to the application of the Judicial Managers, the Singapore Court on 30th November, 2007 ordered the winding up of Global, appointed a Liquidator and discharged the Judicial Managers.

As stated in the previous years' Reports, the Judicial Managers of Global had filed a Writ of Summons against your Company in November 2002 before the Singapore High Court claiming approximately US\$ 18.10 million. Based on legal advice, your Company filed an appropriate application for setting aside the said Writ. On 2nd March, 2006 the Assistant Registrar of the Singapore High Court set aside service of the Writ on your Company and

some individuals. Subsequently in November 2006, your Company received a set of papers purportedly sent by Global including what appeared to be a copy of the earlier Writ. Your Company filed a fresh Motion in the Singapore High Court praying for setting aside the said Writ, which was upheld by the Assistant Registrar of the Singapore Court on 13th August, 2007. Global filed an Appeal against this Order before the High Court of Singapore, which on 30th January, 2009, set aside the order giving leave to Global to serve the Writ out of Singapore against your Company and also dismissed the said appeal. Thereafter on 14th December, 2009, your Company received a binder purportedly sent by Global including what appeared to be a copy of the same old Writ of Summons. Based on legal advice, your Company again filed a Motion in the Singapore High Court praying for setting aside the said Writ. On 18th November, 2010, the Assistant Registrar of the Singapore High Court passed an order dismissing your Company's motion to set aside the Writ. Your Company filed an appeal against the Assistant Registrar's decision which appeal was dismissed by the Singapore High Court. Pursuant to legal advice, your Company has since filed its defence in the trial proceedings. During the year, the Liquidator filed a petition to amend the Writ against your Company to include an additional claim of US\$ 1.03 million, which was dismissed by the Assistant Registrar. The Liquidator's appeal against the said dismissal is pending.

Gold Flake Corporation Limited, Wills Corporation Limited, Greenacre Holdings Limited, ITC Investments & Holdings Limited, BFIL Finance Limited and MRR Trading & Investment Company Limited

There were no major events to report with respect to the above companies.

NOTES ON JOINT VENTURES

ITC Essentra Limited (Formerly ITC Filtrona Limited)

ITC Filtrona Limited, a joint venture between Essentra Filter Products International Limited (formerly Filtrona Filter Products International Limited) and your Company's subsidiary Gold Flake Corporation Limited, has been renamed as 'ITC Essentra Limited' with effect from 20th November, 2013, as a consequence of Essentra Plc. having rebranded its global business with the name 'Essentra' replacing 'Filtrona'.

Report of the Directors

The company recorded Gross Revenue of ₹ 292.74 crores (₹ 229.40 crores in 2012) and Net Profit of ₹ 13.77 crores (₹ 13.05 crores in 2012) for the year ended 31st December, 2013. During the year under review, the filter rod industry continued to face raw material supply constraints and consequent increase in prices which was accentuated by the sharp weakening of the Indian Rupee. Continued focus on innovation has enabled the company sustain its technological edge over competition and further consolidate its leadership position in the industry.

The Board of Directors of the company has recommended a dividend of ₹ 9/- per ordinary share of ₹ 10/- each for the year ended 31st December, 2013.

The company continues to strive to be the quality benchmark in cigarette filters, offer superior filter solutions and consolidate its position as the most preferred supplier to its customers. The company is also leveraging integrated online quality control systems and together with its focus on product and market development is well positioned for enhancing the scale of operations in the forthcoming years.

Maharaja Heritage Resorts Limited

Maharaja Heritage Resorts Limited, a joint venture of your Company with Jodhana Heritage Resorts Private Limited, currently operates 37 heritage properties across 13 States in India. The company's brand portfolio comprising 'Legend', 'WelcomHeritage Hotels' and 'Nature Resorts', provides uniquely differentiated propositions to guests in the cultural, heritage and adventure tourism segments respectively.

During the financial year ended 31st March, 2014, the company recorded a Total Revenue of ₹ 3.46 crores (previous year ₹ 3.86 crores) and Net Profit of ₹ 0.10 crores (previous year ₹ 0.44 crores).

The company's 'WelcomHeritage Hotels' brand has been awarded the 'Best Heritage Hotel Chain' by Today's Traveller Awards 2013.

Espirit Hotels Private Limited

Espirit Hotels Private Limited (EHPL) is a joint venture between your Company and the Ambience Group, Hyderabad for developing a luxury hotel complex at Begumpet, Hyderabad. Under the terms of the Joint Venture Agreement, your Company acquired 26% equity stake in EHPL and will, inter alia, provide hotel operating services under an Operating Services Agreement, upon commissioning of the hotel.

The Ambience Group has expressed its unwillingness to make any further investments citing concerns about the viability of the project. In view of the difference of opinion with the Ambience Group in this regard, your Company is examining the way forward under the Joint Venture Agreement.

Your Company's investment in EHPL stood at ₹ 46.51 crores as at 31st March, 2014.

Logix Developers Private Limited

Logix Developers Private Limited (LDPL) is a joint venture between your Company and Logix Estates Private Ltd., NOIDA for developing a luxury hotel-cum-service apartment complex at Sector 105 in NOIDA. Under the terms of the Joint Venture Agreement, your Company acquired 26% equity stake in LDPL and will, inter alia, provide hotel operating services under an Operating Services Agreement, upon commissioning of the hotel.

Logix Estates Private Ltd. has communicated to your Company that it would like to explore alternative project development plans, failing which, it proposes to exit the joint venture by selling its shareholding in LDPL to your Company. Your Company is exploring its options in this regard.

Your Company's investment in LDPL stood at ₹ 38.08 crores as at 31st March, 2014.

RISK MANAGEMENT

As a diversified enterprise, your Company has always had a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consists of the following elements:

- The Corporate Governance Policy clearly lays down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from the strategic to the operational, is specified in the Governance Policy. These role definitions, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.
- The Corporate Risk Management Cell works with the businesses to establish and monitor the specific risk profiles including both strategic and operational risks. The process includes focused interactions

with businesses on key elements of risk, prioritisation of the risks, selection of appropriate mitigation strategies and periodic reviews of the progress on the management of risks.

- A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
- Appropriate structures have been put in place to proactively monitor and manage the inherent risks in businesses with unique / relatively high risk profiles.
- A strong and independent Internal Audit function at the Corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. The Audit Compliance and Review Committee closely monitors the internal control environment within your Company including implementation of the action plans emerging out of internal audit findings.
- At the Business level, Divisional Auditors continuously verify compliance with laid down policies and procedures, and help plug control gaps by assisting operating management in the formulation of control procedures for new areas of operation.
- A robust and comprehensive framework of strategic planning and performance management ensures realisation of business objectives based on effective strategy implementation. The annual planning exercise requires all businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountability. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

The combination of policies and processes as outlined above adequately addresses the various risks associated with your Company's businesses. The senior management of your Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

AUDIT AND SYSTEMS

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across your Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of your Company, systems and policies relating to Information Management are contemporary and continue to receive focused attention of the Internal Audit team which includes IT specialists.

The Internal Audit function consisting of professionally qualified accountants, engineers and IT specialists, also reviews the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate to yield 'value for money'.

Your Company's Internal Audit function is certified as complying with ISO 9001:2008 quality standards in its processes.

The Audit Committee of your Board met eight times during the year. It reviewed, inter alia, the adequacy and effectiveness of the internal control environment and monitored implementation of the action plans emerging out of internal audit findings including those relating to strengthening of your Company's risk management policies and systems. It also engaged in overseeing financial disclosures.

HUMAN RESOURCE DEVELOPMENT

Your Company, in order to sustain its position amongst India's most valuable corporations, finds it compelling to be relentlessly customer-focused, competition-differentiated, performance-driven and future-capable. Your Company's Human Resource Development strategy seeks to fulfil this mandate through careful selection and rigorous implementation of a wide range of programmes and interventions.

The talent management programme in your Company strives to deliver its unique talent promise: 'Building

Report of the Directors

Winning Businesses. Building Business Leaders. Creating Value for India.' Your Company is guided by a holistic principle of enquiry, concerned with how the pattern of multiple elements of talent sourcing, work design, performance management and remuneration, individual growth and development is related to talent management, rather than how individual elements impact talent. Leadership development is considered integral to talent management. Your Company's 'strategy of organisation' serves as an excellent platform to build distributed business leadership. Another important dimension of building leadership is your Company's strategic learning and development agenda. This agenda is tiered to cater to building front-line managerial capability, middle-management functional leadership and organisational stewardship capability of senior management. This two-pronged strategy of leadership development has ensured that each of your Company's businesses is managed by a team of competent, passionate and inspiring leaders, capable of building an organisation anchored in a culture of learning, innovation, high performance and value creation.

Human Resource Development practices in your Company are guided by the principles of relevance, consistency and fairness based on the premise that what is done in Human Resource Development is as critical as how it is done. Taken together, these initiatives and processes are making a positive impact on talent attraction, retention and commitment.

The approach to progressive employee relations characterised by the core principles of trusteeship, fairness and equity, industrial democracy and partnership with enlightened trade unions, has stood the test of time in your Company. Your Company continues to set a fine record of industrial harmony, highlighted not merely by the absence of strife, but by the more positive outcome of effective performance in terms of high productivity and superior quality. A productive and innovative workplace has been and remains a key requirement for successful business performance in your Company's context. Hence, the push for embracing commitment-seeking Human Resource Development practices that seek and nurture employee participation and involvement in managing the shop floor. Further, the scope of employee welfare has been expanded to focus on the employee as well as on his family's well-being.

Your Company's belief in the mutuality of interests of key stakeholders, aligns all employees to a shared

purpose and vision, thus providing it with the vital force to win in the market and enhance value creation.

Your Company firmly believes that Human Resource Development strategies and practices will continue to provide sustained competitive advantage and will continuously work towards nurturing and enhancing a competitively superior position in terms of human capital, people processes and employee behaviours. Your Company believes that it is the quality and dynamism of its human resource that will enable it make a significant contribution to creating enlarged societal value. The Directors of your Company deeply appreciate the spirit and commitment of its dedicated team of nearly 26,000 employees.

SUSTAINABILITY – CONTRIBUTION TO THE 'TRIPLE BOTTOM LINE'

Your Company's Vision to subserve larger national priorities and create enduring societal value is the inspiration for its multi-dimensional sustainability initiatives that are today acknowledged as global exemplars. Your Company's sustainability strategy aims to significantly enhance national wealth through superior 'Triple Bottom Line' performance that builds and enriches the country's economic, environmental and societal capital. It is premised on the belief that the transformational capacity of business can be very effectively leveraged to create significant societal value through a spirit of innovation and enterprise. Your Company's 'Triple Bottom Line' contribution is manifest in the creation of innovative business models that not only generate new sources of competitive advantage for its businesses, but also in the process enables the replenishment of natural capital and augmentation of sustainable livelihoods.

It is a matter of immense satisfaction that your Company's sustainable business models and value chains have supported the creation of around 6 million sustainable livelihoods, largely amongst the disadvantaged sections of society. Your Company has sustained its position as the only company in the world of comparable dimensions to have achieved the global environmental distinctions of being carbon positive (for 9 consecutive years), water positive (for 12 years in a row) and solid waste recycling positive (for 7 years in succession).

Your Company's renewable energy portfolio enables 38% of its total energy requirements to be met from such clean resources - a remarkable achievement given the large manufacturing base of your Company. Further, all the premium luxury hotels and several factories of

your Company are LEED® (Leadership in Energy & Environmental Design) certified at the highest Platinum/Gold level by the US Green Building Council/Indian Green Building Council.

Your Company's 10th Sustainability Report was published during the year detailing the progress made across all dimensions of the 'Triple Bottom Line' for the year 2012-13. The report, independently assured by Ernst & Young, conforms to the G3 Guidelines of the Global Reporting Initiative (GRI) and is validated at the highest 'A+' level reporting by GRI. The 11th Sustainability Report, covering the sustainability performance of your Company for the year 2013-14, is being prepared in accordance with the latest G4 guidelines of the GRI and will be available to you shortly.

In addition, the Business Responsibility Report (BRR), as mandated by the Securities & Exchange Board of India (SEBI), was brought out as an annexure to the Report and Accounts 2013, mapping the sustainability performance of your Company against the reporting framework suggested by SEBI. The BRR for the year under review is annexed to this Report and Accounts.

Corporate Social Responsibility (CSR)

Your Company's overarching aspiration to create significant and sustainable societal value, inspired by a vision to subserve a larger national purpose and abide by the strong value of trusteeship, is manifest in ITC's CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. In the social sector, the two most important stakeholders for your Company are: (a) rural communities with whom ITC's agri-businesses have forged a long and enduring partnership through their crop development activities and a unique rural digital infrastructure network that enables dissemination of valuable information relating to weather conditions, agricultural best practices, ruling market prices etc.; these households operate in rain-fed conditions in some of the most moisture-stressed regions of the country; and (b) communities residing in close proximity of your Company's production units, whose full potential cannot be realised due to poor social infrastructure in the areas of education and health.

It is your Company's policy:

- a. To direct ITC's CSR Programmes, inter alia, towards achieving one or more of the following -

enhancing environmental and natural capital; supporting rural development; promoting education; promoting healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting traditional art and culture, and promoting sports;

- b. To develop the required capability and self-reliance of beneficiaries at the grassroots, especially of women, in the belief that these are prerequisites for social and economic development;
- c. To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- d. To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- e. To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government / regulatory authorities and to earmark amounts of monies towards 'Enterprise Social Responsibility (ESR)' activities and to spend such monies through ESR / CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- f. To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;
- g. To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII) through the CII-ITC Centre of Excellence for Sustainable Development, in order to have a multiplier impact.

In line with stakeholder needs, the thrust of your Company's CSR strategy and programmes has been focused on (a) Diversification of farming systems of rural communities, by broad-basing the farm and off-farm based livelihoods portfolio of the poor, through an integrated approach that includes the development of wastelands, watersheds, agriculture and animal husbandry, and (b) Economic empowerment of women and creation of social capital in the catchment habitations

Report of the Directors

of manufacturing units, to enable beneficiaries acquire relevant and contemporary skills.

The footprints of your Company's CSR Programmes now extend to over 61 districts in the States of Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttarakhand, Uttar Pradesh and West Bengal.

Your Company's pioneering initiative of wasteland development through the Social Forestry Programme currently covers 47,181 hectares in 2,436 villages, impacting over 52,600 poor households. This is part of the Social & Farm Forestry initiative that has cumulatively greened over 163,000 hectares and generated over 73 million person days of employment for rural households including poor tribal and marginal farmers. In line with its thrust to expand the coverage of agro-forestry, aimed at food, fodder and wood security, your Company has covered around 4,700 hectares cumulatively till date under various agro-forestry models, with the most common intercrops being cotton, pulses, vegetables and chilli. Plans are on the anvil to scale up the initiative substantially in the forthcoming years. In addition, your Company scaled up its biodiversity conservation initiatives with the total area under coverage increasing to 21 hectares in the districts of Khammam, East & West Godavari, Warangal and Visakhapatnam in Andhra Pradesh. These initiatives aim for in situ conservation of the local flora by protecting and improving production conditions in the selected plots.

The coverage of your Company's Soil and Moisture Conservation programme, designed to assist farmers in identified moisture-stressed districts, increased by an additional 32,662 hectares taking the total area covered under the watershed programme to 148,789 hectares. 833 water-bodies were built during the year taking the total number of such structures to 4,974. Your Company signed three new MOUs with the Government of Maharashtra (for Satara district) and the Government of Madhya Pradesh (for Sehore district) to promote sustainable livelihoods under the Integrated Watershed Management Programmes of the respective State Governments. With this, the total area to be brought under soil and moisture conservation through public-private-partnership projects has increased to over 158,000 hectares. In addition, evolving principles such as Water Stewardship are being actively explored towards measuring water use and its impact on identified

watershed areas, and mitigation strategies for reducing such impact.

The year under review also saw a significant increase in the number of compost pits constructed (5,440), demonstration plots (14,695) and farmer field schools (284) in line with the planned expansion of sustainable agriculture practices on a large scale.

Livestock development remains a key focus area of your Company's CSR initiatives. The programme for genetic improvement of cattle through artificial insemination to produce high-yielding crossbred progenies is implemented through 261 Cattle Development Centres (CDCs) covering over 10,000 villages. These CDCs facilitated 2.55 lakhs artificial inseminations during the year, taking the total to 13.37 lakhs artificial inseminations performed till date.

Your Company's Corporate Social Responsibility (CSR) initiatives aimed at enhancing milk production, increasing dairy farm productivity and ensuring remunerative prices to farmers in multiple locations continued to make good progress. A unique cashless milk payment system that enables direct electronic payment into farmers' bank accounts was initiated in Munger (Bihar) during the year. Extension services were scaled up during the year leveraging a comprehensive herd management system enabling real-time tracking of animal health, productivity and genetic improvement and institutional arrangements for sale of milk were established on a sustainable basis.

The Women's Empowerment Programme covered over 20,000 women through 1,682 self-help groups (SHG) with total savings of ₹ 3.52 crores. Cumulatively, over 42,000 women were gainfully employed either through micro-enterprises or assisted with loans to pursue income generating activities. Agarbatti production received a fillip during the year with the introduction of additional pedal machines leading to enhanced productivity and higher income for rural women. Production of raw agarbattis increased significantly to 1,445 tonnes during the year and currently 1,368 pedal machines are operational in the states of Bihar, Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Madhya Pradesh and Maharashtra. The agarbatti scenting unit located at Munger, owned and managed by women, dispatched a total of 319 million sticks with a turnover of ₹ 4.17 crores during the year, thus enabling women to capture greater value from this micro-enterprise.

The ITC Sangeet Research Academy (ITC SRA), which was established in 1977, is a true embodiment of your

Company's sustained commitment to a priceless national heritage. Over the last 36 years, ITC SRA has remained focused on its mission of preserving and promoting Indian Classical music. This prestigious institution is the world's first and only professionally managed modern Gurukul, blending modern day research methods with the purity of the age-old 'Guru-Shishya' tradition.

Your Company supports a number of initiatives for vocational training to equip youth with relevant skills to increase their employability in the market. To cater to the ever growing need for professionally trained human resources in the hospitality industry, your Company continues to work with the Welcomgroup Graduate School of Hotel Administration together with Dr. TMA Pai Foundation. This college continues to be ranked amongst the top educational institutions in the sector. Graduates of the college are today part of several leading hotel chains of the world.

Leveraging its core competencies in the FMCG sector, your Company supported an employability programme where students across various locations were trained in FMCG sales and distribution skills. Successful students were certified by the National Skill Development Corporation, securing jobs in the FMCG sector. It is proposed to scale up this programme not only towards creating employment opportunities for the youth but also towards supporting affirmative action. In addition, 2,443 youth were covered this year by the skills development initiative, of which 38% belonged to the SC/ST communities, thus contributing to your Company's affirmative action commitment.

Over 30,000 additional students were covered through Supplementary Learning Centres, Anganwadis and the 'Read India Plus' programme. Of these, 2,550 first generation learners were enrolled into formal schools for the first time in their lives. 1,011 government primary schools have so far been provided infrastructure support, which includes benches, classrooms, toilets, electrical fixtures, compound walls and gates.

In the area of sanitation, a total of 4,676 low-cost sanitary units have been constructed so far.

Out of 35,000 MT of garbage generated in Indian metropolitan cities every day, it is estimated that about 30% is recyclable, comprising paper, plastics, metal and glass. Recycling has emerged as the only viable solution to meet the challenge of disposing waste in an eco-friendly manner. Source segregation of recyclable

materials has the potential to reduce the overall load on landfills by 10,500 MT per day in Indian metro cities. To inculcate the habit of source segregation and recycling among school children, housewives and general public as well as industries and business enterprises, your Company has initiated a programme christened 'WOW – Wealth Out of Waste'. While shouldering the responsibility of collecting dry waste, your Company takes up recycling of paper with plastics being given to the respective industries, taking us closer to the dream of a cleaner and greener tomorrow. The WOW movement today extends to Hyderabad, Chennai, Bengaluru, Cochin, Madurai, Coimbatore and Bhadrachalam, enjoying the support of over 3 million citizens, 500,000 school children, 350 corporates, more than 1,000 commercial establishments and around 200 industrial plants. Plans are underway to extend the programme to other cities and major towns as well. On the occasion of the 3rd anniversary of National Recycling Day, your Company with the support of Bruhat Bengaluru Mahanagara Palike (BBMP) launched a novel pilot programme in ten selected wards of Bengaluru, to create sustainable livelihoods for rag pickers and waste collectors by propagating source segregation and facilitating effective collection mechanisms to maximise recycling of dry waste.

Your Company continues to work with various government and private bodies under its 'Choupal Pradarshan Khet' initiative to promote new seed varieties, farm technologies and best practices among farmers with the objective of improving crop productivity (food grains, oilseeds, cereals etc.) while deepening relationship with the farming community. During the year, field demonstrations of new technology (seed varieties and production practices) for improved yield and quality in wheat, soya bean, barley and horticultural crops were conducted in more than 1,000 villages covering around 23,000 acres and more than 20,000 farmers with focus on sustainable farm practices like moisture conservation, promotion of bio-fertilisers, zero-tillage, prophylactic pest management etc.

The advances made towards contributing to India's sustainable development goals have been possible, in large measure, to your Company's partnerships with globally renowned NGOs like BAIF, Dhan, DB Tech, DSC, FES, MYRADA, Pratham, SEWA, SRIJAN and WOTR amongst others. These partnerships, which bring together the best-in-class management practices of your Company and the development experience and

Report of the Directors

mobilisation skills of NGOs, will continue to provide innovative grassroots solutions to some of India's most challenging problems of development in the years to come.

Environment, Health & Safety

Your Company's Environment, Health & Safety (EHS) strategies are directed towards achieving greenest and safest operations across all ITC Units by optimising natural resource usage and providing a safe and healthy workplace. Systemic and structured efforts continue to be made towards natural resource conservation by continuously improving resource-use efficiencies and increasing the replenishment of natural resources. Your Company's focus on inculcating a green and safe culture is supported through the adoption of EHS standards that incorporate best international codes and practices and verifying compliance through regular audits of all units.

Your Company has addressed the critical area of climate change adaptation and mitigation through several innovative and pioneering initiatives. These include continuous improvement in energy efficiency, enhanced usage of renewable energy, integration of green attributes into the built environment, better efficiency of material utilisation, maximising reuse and recycling of waste and increasing use of post-consumer waste as raw material.

Your Company has been participating in market-based mechanisms for mitigating the impact of climate change such as the Clean Development Mechanism (CDM) developed by United Nations Framework Convention on Climate Change (UNFCCC). Your Company is also well positioned to benefit from India specific schemes such as Perform, Achieve and Trade (PAT) and Renewable Energy Certificates (RECs) promoted by the Government of India.

In line with your Company's commitment to reduce dependence on energy from fossil fuels, substantial progress has been made in enhancing its renewable energy portfolio. Around 38% of your Company's total energy requirements is met from carbon neutral fuels such as biomass and wind. Your Company has developed a strategic approach and drawn out action plans for progressively moving towards meeting at least 50% of its total energy requirements from renewable sources in the near future.

With water scarcity increasingly becoming an area of serious concern, your Company continues to focus on

water conservation and harvesting initiatives at its units to enhance its positive water footprint. These include adopting latest technologies to reduce water usage and increase reuse and recycle practices, best practices to achieve zero effluent discharges, rainwater harvesting etc. These initiatives, along with your Company's CSR interventions in the area of integrated watershed management, have resulted in the creation of rainwater harvesting potential that is over two times the net water consumption of your Company's operations.

It is a matter of great pride that your Company continues to feature in S&P BSE 'CARBONEX' and S&P BSE 'GREENEX' - the 2 indices instituted by the Bombay Stock Exchange for evaluating a company based on its carbon performance and several green operational parameters. Further, during the year your Company improved its 'disclosure score' while sustaining its position as a leading Indian corporate in the Climate Disclosure Leadership Index 2013 published under the aegis of the Carbon Disclosure Project. The greenhouse gas (GHG) inventory of your Company for the year 2013-14 complied with ISO 14064 standards, and was assured at the highest 'Reasonable Level' by KPMG – a significant achievement considering the scale and spread of your Company's operations.

Reaffirming your Company's commitment to the ethos of 'Responsible Luxury', all luxury Hotels of your Company are LEED® Platinum certified making it the 'greenest luxury hotel chain' in the world. All new constructions by your Company incorporate green/sustainability standards and existing buildings/factories are also progressively implementing validated green attributes.

The Social & Farm Forestry programme enables sequestration of nearly twice the amount of Carbon Dioxide emitted in the course of your Company's operations. Besides mitigating the impact of increasing levels of greenhouse gases in the atmosphere, these initiatives help greening degraded wasteland, prevent soil erosion, enhance organic matter content in soil and enable ground water recharge. The Social & Farm Forestry initiative of your Company has cumulatively greened over 163,000 hectares and generated over 73 million person days of employment for rural households including poor tribal and marginal farmers.

All units of your Company have made significant progress in achieving total recycling of waste generated in operations, thereby preventing waste reaching landfills with associated problems such as contamination of

soil & ground water, increasing air pollution, health hazard etc. In the current year, your Company has achieved 99.9% waste recycling, with the Paperboards and Specialty Papers Business, which accounts for nearly 91% of the total waste generated in your Company, recycling 99.9% of the total waste generated by its operations. During the year, this Business also recycled around 110,000 tonnes of externally sourced post-consumer waste paper, thereby creating yet another positive environmental footprint.

Your Company's commitment to provide a safe and healthy workplace to all has been reaffirmed by several national and international awards and certifications received by various units. All units of your Company are supported with best-in-class infrastructure, state-of-the-art fire & life safety systems, competent human resources and management systems in line with international standards to ensure a safe place for employees, guests and visitors. Your Company's approach is to institutionalise safety as a value-led concept with focus on inculcating a sense of ownership at all levels and driving behavioural change leading to the creation of a safety culture. In line with this, several behavioural based safety culture initiatives have been rolled out at your Company's operating units resulting in noticeable improvement in perceptions about safety.

Creating Thought Leadership in Sustainability

The 'CII-ITC Centre of Excellence for Sustainable Development', established by your Company in 2006 in collaboration with the Confederation of Indian Industry (CII), continues in its endeavours to promote sustainable business practices amongst Indian enterprises. The Centre expanded its gamut of activities to meet the core objectives of creating awareness, promoting thought leadership and building capacity amongst Indian enterprises in their quest for growth through sustainable business solutions. The Centre scaled up its capacity building coverage through a diverse range of training and counselling services, which covered over 2,700 participants during the year. The Centre has begun to work with 'Selco', a solar energy social enterprise, on the feasibility of developing a new evaluation methodology for social enterprises.

The Centre has also been the nodal point in India for facilitating comprehensive feedback on the Consultation Draft of the International Integrated Reporting Framework, from the perspective of developing countries. The release of the Draft Framework in India

took place on 16th April, 2013 in New Delhi, followed by a roundtable in Mumbai on 18th April, 2013. The 'Business for Environment Global Summit' was co-hosted jointly by the Centre, Global Initiatives and Club of Rome in New Delhi on 15th & 16th April, 2013. The Summit, which was attended by 500 delegates, explored the role of emerging markets in leading the world's transition to a green economy.

The 8th Sustainability Summit continued its legacy of bringing together thought leaders to share the challenges, long-term strategies and best practices for sustainable and inclusive development. It featured senior politicians, bureaucrats, doyens of Indian industry and MNCs around the globe and was attended by over 300 participants. The 'CII-ITC Sustainability Awards', instituted to recognise excellence in sustainability performance, have honoured a large number of leading Indian companies and provided encouragement to many others.

The Centre is today playing a major role in engaging with policy makers to create an environment that encourages the adoption of sustainable business practices. The Centre had also actively engaged with various stakeholders on the newly drafted rules and regulations under the Companies Act, 2013 relating to the CSR activities of a company. The CSR Study for the Ministry of Corporate Affairs and National Foundation for Corporate Governance (NFCG) was completed by the Centre and a report submitted to NFCG in June 2013. The Centre was awarded the European Union Switch Asia project to promote sustainable development of India's food and beverage retail sector. The four-year project began in January 2013.

R&D, QUALITY AND PRODUCT DEVELOPMENT

Your Company continues to invest in a comprehensive Research & Development programme leveraging its world-class infrastructure, benchmarked processes, state-of-the-art technology and a business-focused R&D strategy.

ITC Life Sciences & Technology Centre (LSTC) has a mandate to develop unique sources of competitive advantage and build future readiness by harnessing contemporary advances in several relevant areas of science and technology, and blending the same with classical concepts of product development and leveraging cross-business synergies. This challenging task of driving science-led product innovation has been carefully addressed by appropriately identifying the required set of core competency areas of science such as Plant

Report of the Directors

Breeding and Genetics, Agronomy, Microbiology, Cell Biology, Genomics, Proteomics, Silviculture and several disciplines of Chemistry and material science. Presently, the LSTC team has evolved with over 300 world-class scientists augmented by world-class experimental and measurement system capabilities. Several Centres of Excellence have evolved over the past few years in these areas in LSTC. In addition, a number of areas centred around these capabilities have secured global quality certifications of the highest order.

The Agrisciences R&D team has continued its efforts in evaluating and introducing several germplasm lines of identified crops including Casuarina and Eucalyptus to increase the genetic and trait diversities in these species, towards developing new varieties with higher yields, better quality and other relevant traits for your Company's businesses. LSTC continues to evaluate and build research collaborations with globally recognised centres of excellence to remain contemporary and fast-track its journey towards demonstrating multiple 'proofs of concept'. These collaborations, covering identified species, are designed in a manner that enables your Company in gaining fundamental insights into several technical aspects of plant breeding and genetics and the influence of agro-climatic conditions on the growth of these species. Such interventions will accelerate LSTC's efforts in creating future generations of these crops with greater genetic and trait diversities leading to significant benefits for your Company's businesses. Further, these outcomes have a strong potential to contribute towards augmenting the nation's ecological capital and biodiversity as well.

Recognising the unique construct of your Company in terms of its strong presence in agriculture, food and personal care businesses, a convergence of R&D capabilities is being leveraged to deliver future products aimed at nutrition, health and well-being. Advances in biosciences are creating a 'convergence' of these areas and it is likely that several future developments in these businesses and their products are heavily influenced by this trend. In this context, LSTC has created a Biosciences R&D team to design and develop several long-term research platforms evolving multi-generation product concepts and associated claims that are fully backed by scientific evidence for the Foods and Personal Care Businesses. In addition, LSTC has evolved a strategy in building a new value chain called, 'Nutrition' with a special focus on 'Indianness' and 'health and well-being' founded on the basis of Value Added Agriculture (VAA).

The initial activities related to VAA have already commenced with a focus on soya.

LSTC has a clear vision and a road map for long-term R&D, to ensure an outstanding journey backed by a well-crafted Intellectual Property strategy. With scale, speed, science and sustainability considerations, LSTC is poised to deliver long-term competitive advantage and play a lead role in creating significant business impact for your Company.

Pursuing your Company's relentless commitment to quality, each business is mandated to continuously innovate on processes and systems to deliver superior competitive capabilities. During the year, your Company's Hotels business leveraged its 'Lean' and 'Six Sigma' programmes to improve business process efficiencies. This will further enhance capability to create superior customer value through a service excellence framework. The Paperboards, Paper & Packaging Businesses continued to pursue 'Total Productive Maintenance' (TPM) programmes in all units, resulting in substantial cost savings and productivity improvements.

All manufacturing units of your Company have ISO quality certification. All manufacturing units of the Branded Packaged Foods Businesses (including contract manufacturing units) and hotels have stringent food safety and quality systems. All Company owned units/hotels and almost all contract manufacturing units of the Branded Packaged Foods Businesses are certified by an accredited 'third party' in accordance with 'Hazard Analysis Critical Control Points' (HACCP) methodology. Additionally, the quality of all FMCG products of your Company is regularly monitored through 'Product Quality Ratings Systems' (PQRS).

EXCISE

As mentioned in the previous year's Report of the Directors, a demand for ₹ 27.58 crores made by Central Excise Department, Bengaluru, in respect of a period prior to March 1983, was set aside by the Commissioner (Appeals), Bengaluru, by his Order dated 22nd November, 1999, which order was confirmed by the CEGAT, Chennai vide its order dated 18th December, 2003. The Department has filed an appeal before Supreme Court, which is pending.

With respect to the Munger factory, proceedings for finalisation of assessments for the period prior to March 1983 resulted in the Deputy Commissioner's Orders dated 29th August, 2002 and 8th October, 2002

demanding ₹ 13.09 crores and ₹ 1.73 crores for clearances of cigarettes and smoking mixtures respectively. These were confirmed by the Commissioner (Appeals), Patna vide his orders dated 22nd December, 2004, against which your Company has preferred appeals before CESTAT, Kolkata, which are pending. Your Company had made pre-deposits of ₹ 2 crores and ₹ 0.55 crores against the aforesaid demands at the stage when its appeals were pending before Commissioner (Appeals), Patna.

Although your Company, in a spirit of settlement, paid the differential Excise Duty that arose out of an Order of the Director General dated 10th April, 1986, as early as in March, 1987, and although the Excise Department's aforesaid Demands had either been quashed or stayed, the Collectorates in Meerut, Patna and Bengaluru, during the year 1995, filed criminal complaints in the Special Court for Economic Offences at Kanpur, Patna and Bengaluru, charging your Company and some of its Directors and employees who were employed with your Company during the period 1975 to 1983 with offences under the Central Excises & Salt Act, 1944, purportedly on the basis of the Order of the Director General dated 10th April, 1986. Your Directors are advised that no prosecution would lie on the basis of the aforesaid Order of the Director General dated 10th April, 1986. As earlier reported, the criminal case in respect of the Bengaluru factory was quashed by the Court. In the proceedings relating to Saharanpur and Munger factories, the individuals concerned have been discharged.

In all the above instances, your Directors are of the view that your Company has a strong case and the Demands and the Complaints are not sustainable.

Since your Company is contesting the above cases and contending that the Show Cause, the Demand Notices and the Complaints are not sustainable, it does not accept any liability in this behalf.

LUXURY TAX

As mentioned in the earlier years, the Honourable Supreme Court declared the various State luxury tax levies on cigarettes and other goods as unconstitutional. The Court further directed that if any party, after obtaining a stay order from the Court, had collected any amount towards luxury tax from its customers / consumers, such amounts should be paid to the respective State governments. Since your Company had not charged or collected any amounts towards luxury tax during the

relevant period, there is no liability on your Company in this regard. However, the State of Andhra Pradesh filed a contempt petition in the Supreme Court claiming a sum of ₹ 323.25 crores towards luxury tax, and a further sum of about ₹ 261.97 crores towards interest, on the allegation that your Company had charged and collected luxury tax from its customers, but in view of a stay order passed by the Court on 1st April, 1999, did not pay the tax to the government. The State's contention was baseless, contrary to the facts and was also contrary to the assessment orders passed by the State luxury tax authorities consistently holding that your Company, right from 1st March, 1997 did not charge or collect any amount towards luxury tax from its customers. This factual position was also confirmed by independent Auditors / Chartered Accountants appointed by the Honourable Supreme Court who filed a report before the Court after verification of all relevant documents of your Company. By an order dated 6th February, 2014, the Honourable Supreme Court dismissed the contempt petition filed by the State against your Company. The Court permitted the State to issue a show cause notice to your Company furnishing all particulars available with it, and permitted your Company to contest such notice on all available grounds including that of maintainability of the notice and also permitted your Company to rely on the report issued by the independent Auditors / Chartered Accountants certifying that your Company had not charged or collected any amount towards luxury tax. The State has not issued any such show cause notice.

RECOVERY OF DUES FROM THE CHITALIAS AND PROCEEDINGS INITIATED BY THE ENFORCEMENT DIRECTORATE

You are aware that your Company had secured from the District Court of New Jersey, USA, a decree for US\$ 12.19 million together with interest and costs against Suresh and Devang Chitalia of USA and their companies, and that the Chitalias had filed Bankruptcy Petitions before the Bankruptcy Court, Orlando, Florida, which are yet to be determined. However, the US Trustee of EST Fibers Inc., USA, a Chitalia group entity, has made a small interim distribution of estate funds to your Company.

As explained in the previous reports of the Directors, though your Company has written off the export dues in foreign exchange from the Chitalias with the approval

Report of the Directors

of the Reserve Bank of India, your Company continues with its recovery efforts in the Indian suit against the Chitalia associates. The suit is in progress.

In the proceedings initiated by the Enforcement Directorate, in respect of some of the show cause memoranda issued by the Directorate, after hearing arguments on behalf of your Company, the appropriate authority has passed orders in favour of your Company, and dropped those memoranda.

Meanwhile, some of the prosecutions launched by the Enforcement Directorate have been quashed by the Honourable Calcutta High Court while others are pending.

TREASURY OPERATIONS

During the year, your Company's treasury operations continued to focus on deployment of temporary surplus liquidity and management of foreign exchange exposures within a well-defined risk management framework.

The year under review witnessed high volatility in interest rates with the Reserve Bank of India reducing Policy rates in the first quarter but increasing the same thereafter to arrest the steep depreciation of the Indian Rupee against the US Dollar in a short span of time. Policy rate increases continued through the year as inflationary pressures in the economy gained momentum. As a result, interest rates during the year hardened across maturities. Your Company, by proactively managing portfolio duration, continued to improve its treasury performance.

All investment decisions in deployment of temporary surplus liquidity continued to be guided by the tenets of Safety, Liquidity and Return. The portfolio mix during the year was continuously rebalanced in line with a dynamic interest rate scenario leading to enhanced yields. Further, by the year end, in line with expectations of lower interest rates, the portfolio was rebalanced to increase the quantum of long-dated Fixed Maturity Plans and Bank Fixed Deposits. Your Company's risk management processes ensured that all deployments were made with proper evaluation of underlying risk while remaining focused on capturing market opportunities.

In the foreign exchange market, the Indian Rupee depreciated sharply during the year touching all-time lows and was witness to bouts of high volatility. Measures taken by the RBI and the Ministry of Finance resulted in a marked improvement in the Current Account Deficit position and helped attracting foreign capital flows.

These measures helped pulling back and stabilising the Rupee in the latter half of the year. In view of high levels of volatility in the currency markets your Company maintained a relatively high hedge ratio during the year to protect business margins and reduce risks/costs.

As in earlier years, commensurate with the large size of the temporary surplus liquidity under management, treasury operations continue to be supported by appropriate control mechanisms, including an independent check of 100% of transactions, by your Company's Internal Audit department.

TAXATION

As mentioned in the Report of the Directors of earlier years, your Company had obtained Stay Orders from the Honourable Calcutta High Court against re-opening of past assessments for the period 1st July, 1983 to 30th June, 1986. The Honourable Calcutta High Court has now held in your Company's favour by allowing the concerned Writ Petitions and the impugned notices & the proceedings thereunder have been quashed.

Also, as stated in the Report of the Directors of earlier years, in respect of similar Income Tax notices for re-opening the past assessments for the period 1st April, 1990 to 31st March, 1993, the Honourable Calcutta High Court had admitted the Writ Petitions and ordered that no final assessment orders be passed without the leave of the Court. This status remains unchanged.

PUBLIC DEPOSITS

Your Company's Public Deposit Scheme closed in the year 2000. As at 31st March, 2014, there were no deposits due for repayment except in respect of 2 deposit holders totalling ₹ 20,000 which have been withheld on the directives received from government agencies.

There was no failure to make repayments of Fixed Deposits on maturity and the interest due thereon in terms of the conditions of your Company's erstwhile Schemes.

INVESTOR SERVICE CENTRE

The Investor Service Centre (ISC) of your Company maintains its position as an exemplar in investor servicing.

During the year, SEBI granted your Company a Certificate of Permanent Registration to act as Category II Share Transfer Agent for providing in-house share registration and related services.

The ISO 9001:2008 Quality Management System Certification for investor servicing by ISC was renewed during the year by Messrs. Det Norske Veritas (DNV) for a further period of three years. ISC achieved the highest 'Level 5' rating for the fifth consecutive year – a testimony to the excellence achieved by ISC in providing quality investor services.

During the year, a Shareholder Satisfaction Survey was conducted by your Company. An overwhelming number of Members who participated in the Survey responded that they were extremely satisfied with the services provided by ISC.

DIRECTORS

Mr. Hugo Geoffrey Powell [representing Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company], Dr. Basudeb Sen, Mr. Balakrishnan Vijayaraghavan and Mr. Dinesh Kumar Mehrotra (representing the Life Insurance Corporation of India) ceased to be Non-Executive Directors of your Company with effect from 30th July, 2013, 27th August, 2013, 27th August, 2013 and 27th October, 2013, respectively, on completion of their terms. Mr. Shilabhadra Banerjee (representing the Specified Undertaking of the Unit Trust of India) resigned as Non-Executive Director of your Company with effect from 26th March, 2014. Your Directors would like to record their appreciation of the services rendered by Mr. Powell, Dr. Sen, Mr. Vijayaraghavan, Mr. Mehrotra and Mr. Banerjee.

Mr. Nakul Anand and Mr. Pradeep Vasant Dhobale, Wholtime Directors of your Company since 3rd January, 2011, completed their terms on 2nd January, 2014. Mr. Anand and Mr. Dhobale, on the recommendations of the erstwhile Nominations Committee and the Compensation Committee, were appointed by the Board of Directors of your Company (the 'Board') as Additional Directors with effect from 3rd January, 2014, and subject to the approval of the Members, also as Wholtime Directors, liable to retire by rotation, for a period of five years from 3rd January, 2014.

Mr. Robert Earl Lerwill [representing Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company], on the recommendation of the erstwhile Nominations Committee, was appointed by the Board as Additional Non-Executive Director of your Company with effect from 18th November, 2013. Mr. Suryakant Balkrishna Mainak (representing the Life Insurance Corporation of

India), on the recommendation of the Nomination & Compensation Committee, was appointed by the Board as Additional Non-Executive Director of your Company with effect from 25th April, 2014. Mr. Shilabhadra Banerjee, on the recommendation of the Nomination & Compensation Committee, was also appointed by the Board as Additional Non-Executive Director of your Company with effect from 24th July, 2014. By virtue of the provisions of Article 96 of the Articles of Association of your Company and Section 161 of the Companies Act, 2013, Messrs. Lerwill, Mainak and Banerjee will vacate office at the ensuing Annual General Meeting ('AGM') of your Company.

Your Board at its meeting held on 23rd May, 2014, on the recommendation of the Nomination & Compensation Committee, has recommended for the approval of the Members the appointment of Mr. Banerjee as an Independent Director in terms of Section 149 of the Companies Act, 2013, with effect from the date of the ensuing AGM of your Company. Your Board at the said meeting, on the recommendation of the Nomination & Compensation Committee also recommended for the approval of the Members the appointment of Mr. Lerwill and Mr. Mainak as Non-Executive Directors of the Company, liable to retire by rotation, with effect from the date of the ensuing AGM of your Company.

Notices under Section 160 of the Companies Act, 2013, have been received for the appointment of Messrs. Anand, Dhobale, Banerjee, Lerwill and Mainak who have filed their consents to act as Directors of the Company, if appointed.

Appropriate resolutions seeking your approval to the aforesaid appointments are appearing in the Notice convening the 103rd AGM of the Company.

In accordance with the provisions of Article 91 of the Articles of Association of the Company, Mr. Krishnamoorthy Vaidyanath will retire by rotation at the ensuing AGM of your Company and being eligible, offers himself for re-election. The Board has recommended his re-election.

Messrs. Anil Baijal, Serajul Haq Khan, Sunil Behari Mathur, Pillappakkam Bahukutumbi Ramanujam, Sahibzada Syed Habib-ur-Rehman and Ms. Meera Shankar, by virtue of being Independent Directors of your Company in terms of the provisions of the Companies Act, 2013, will not be liable to retire by rotation for the residual period of their respective terms of appointment approved by the Members of the Company.

Report of the Directors

AUDITORS

Statutory Auditors

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, retire at the ensuing AGM and, being eligible, have offered themselves for re-appointment. The Board, on the recommendation of the Audit Committee, has recommended the re-appointment of Messrs. Deloitte Haskins & Sells for a period of five years in accordance with Section 139 of the Companies Act, 2013. Appropriate resolution seeking your approval to the said re-appointment is appearing in the Notice convening the 103rd AGM of the Company.

Cost Auditors

Your Company had appointed (i) Messrs. Shome & Banerjee, Cost Accountants, Kolkata, for audit of cost records in respect of 'Paper' products other than the cost records maintained by the Paperboards and Specialty Papers Business. They were also appointed as the Cost Auditors in respect of Plastics & Polymers, Apparel, Edible Oil Seeds & Oil and Plantation products; (ii) Messrs. S. Mahadevan & Co., Cost Accountants, Chennai, as Cost Auditor for audit of cost records maintained in respect of Packaged Food Products; and (iii) Mr. P. Raju Iyer, Cost Accountant, Chennai, as Cost Auditor for audit of cost records maintained by the Paperboards and Specialty Papers business for the financial year ended 31st March, 2013. The Cost Audit Report was filed by the Cost Auditor on 20th September, 2013 within the due date of 27th September, 2013.

In respect of the financial year ended 31st March, 2014, your Company has appointed (i) Messrs. Shome & Banerjee, Cost Accountants, Kolkata, for audit of cost records in respect of 'Paper' products other than the cost records maintained by the Paperboards and Specialty Papers business. They are also appointed as the Cost Auditors in respect of Plastics & Polymers, Apparel, Edible Oil Seeds & Oil, Plantation products and Personal Care products including Soap; (ii) Messrs. S. Mahadevan & Co., Cost Accountants, Chennai, as Cost Auditor for audit of cost records maintained in respect of Packaged Food Products; and (iii) Mr. P. Raju Iyer, Cost Accountant, Chennai, as Cost Auditor for audit of cost records maintained by the Paperboards and Specialty Papers business and for all other additional applicable product groups. The due date for filing the Cost Audit Reports is 27th September, 2014.

EMPLOYEE STOCK OPTION SCHEME

Under your Company's Employee Stock Option Schemes, 5,13,49,840 Ordinary Shares of ₹ 1/- each, were issued and allotted during the year upon exercise of 51,34,984 Options; such shares rank pari passu with the existing Ordinary Shares of your Company. Consequently, the Issued and Subscribed Share Capital of your Company as at 31st March, 2014 stands increased to ₹ 795,31,82,950/- divided into 795,31,82,950 Ordinary Shares of ₹ 1/- each.

Details of the Options granted up to 31st March, 2014 and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines') are set out in the Annexure to this Report.

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, have certified that the Company's Employee Stock Option Schemes have been implemented in accordance with the SEBI Guidelines and the resolutions passed by the Members in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- prepared the Annual Accounts on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 - Consolidated Financial Statements, ITC Group

Accounts form part of this Report & Accounts. These Group Accounts also incorporate the Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006. These Group accounts have been prepared on the basis of audited financial statements received from Subsidiary, Associate and Joint Venture Companies, as approved by their respective Boards.

OTHER INFORMATION

The total number of employees as on 31st March, 2014 stood at 25917.

The certificate of the Auditors, Messrs. Deloitte Haskins & Sells, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is annexed.

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, have certified that the Company and its subsidiaries are in compliance with the requirements relating to downstream investment as laid down in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Ninth Amendment) Regulations, 2013 and other applicable FEMA Regulations.

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of Energy and Technology Absorption are also provided in the Annexure to this Report.

There were 135 employees, who were employed throughout the year and were in receipt of remuneration aggregating ₹ 60 lakhs or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 5 lakhs per month or more during the financial year ended 31st March, 2014. The information required under Section 217(2A) of the Companies Act, 1956 and the Rules thereunder, in respect of the aforesaid employees, is provided in the Annexure forming part of this Report.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect',

'intend', 'will' and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

CONCLUSION

Your Company is today, the leading FMCG marketer in India, a trailblazer in 'green hoteliering' and the second largest Hotel chain in India, the clear market leader in the Indian Paperboard and Packaging industry, the country's foremost Agri business player and a global exemplar in sustainable business practices. Your Company's wholly-owned subsidiary, ITC Infotech India Limited, is one of India's fast-growing Information Technology companies in the mid-tier segment.

Your Company's Board and employees are inspired by the Vision of sustaining ITC's position as one of India's most admired and valuable companies, creating enduring value for all stakeholders, including the shareholders and the Indian society. The vision of enlarging your Company's contribution to the Indian economy is manifest in the creation of unique business models that foster international competitiveness not only of its businesses but also the entire value chain of which they are a part.

Inspired by this Vision, driven by Values and powered by internal Vitality, your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

On behalf of the Board

23rd May, 2014
New Delhi
India

Y. C. DEVESHWAR *Chairman*
P. V. DHOBAL *Director*

Annexure to the Report of the Directors

Statement as at 31st March, 2014, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in respect of Options granted under the Company's Employee Stock Option Schemes

Sl. No.		ITC Employee Stock Option Scheme (Introduced in 2001)	ITC Employee Stock Option Scheme – 2006		ITC Employee Stock Option Scheme – 2010		Total	
		Cumulative# (i)	During 2013-14 (ii)	Cumulative (iii)	During 2013-14 (iv)	Cumulative (v)	During 2013-14 (ii)+(iv)	Cumulative (i)+(iii)+(v)
(A)	(i) Number of Options granted :	1,09,91,558	85,600	2,10,88,553	67,05,325	1,71,75,820	67,90,925	4,92,55,931
	(ii) Number of Bonus Options allocated* :	27,75,263	–	1,74,50,295	–	–	–	2,02,25,558
	(iii) Total number of Options granted / allocated :	1,37,66,821	85,600	3,85,38,848	67,05,325	1,71,75,820	67,90,925	6,94,81,489
<i>* Bonus Options were allocated in 2005-06 and 2010-11 in the same ratio as Bonus Shares issued in these years (i.e. 1 Bonus Share for every 2 Ordinary Shares & 1 Bonus Share for every 1 Ordinary Share, respectively).</i> <i># Under the ITC Employee Stock Option Scheme (introduced in 2001), no Options were granted during 2013-14.</i>								
(B)	Pricing Formula :	The Pricing Formula, as approved by the Shareholders of the Company, is such price which is no lower than the closing price of the Company's Share on the National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'Market Price' as defined from time to time under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as determined by the erstwhile Compensation Committee. The Options were granted at the 'Market Price' as defined under the aforesaid Guidelines. In the financial year 2013-14, Options were granted at ₹ 2,979.00 per Option.						
(C)	Total number of Options vested :	1,23,54,404	3,59,29,463		43,44,383		5,26,28,250	
(D)	Total number of Options exercised :	1,13,69,715	2,66,79,008		7,03,557		3,87,52,280	
(E)	Total number of Ordinary Shares of ₹ 1/- each arising as a result of exercise of Options (Each Option represents 10 Ordinary Shares of ₹ 1/- each) :	11,36,97,150	26,67,90,080		70,35,570		38,75,22,800	
(F)	Total number of Options lapsed :	14,96,076	23,13,911		3,37,875		41,47,862	
(G)	Variation of terms of Options :	None						
(H)	Money realised by exercise of Options :	₹1,287.94 crores	₹2,808.13 crores		₹153.09 crores		₹4,249.16 crores	
(I)	Total number of Options in force :	9,01,030	95,45,929		1,61,34,388		2,65,81,347	

(J)	Details of Options granted to (i) Senior managerial personnel :		As provided below -			
	Sl. No.	Name	No. of Options granted during the financial year 2013-14	Sl. No.	Name	No. of Options granted during the financial year 2013-14
	1.	Y. C. Deveshwar	2,70,000	28.	S. Ganesh Kumar	25,300
	2.	N. Anand	1,35,000	29.	H. Malik	30,600
	3.	P. V. Dhobale	1,35,000	30.	A. K. Mukerji	40,000
	4.	K. N. Grant	1,35,000	31.	A. Nayak	56,250
	5.	A. Baijal^	10,000	32.	A. R. Noronha	25,300
	6.	S. H. Khan^	10,000	33.	R. Parasuram	30,600
	7.	S. B. Mathur^	10,000	34.	A. Pathak	25,300
	8.	P. B. Ramanujam^	10,000	35.	K. T. Prasad	25,300
	9.	S. S. H. Rehman^	10,000	36.	S. Puri	40,000
	10.	A. Ruys^	10,000	37.	R. Rai	30,600
	11.	M. Shankar^	10,000	38.	V. M. Rajasekharan	30,600
	12.	K. Vaidyanath^	10,000	39.	V. L. Rajesh	25,300
	13.	S. M. Ahmad	23,000	40.	A. Rajput	40,000
	14.	N. Arif	32,000	41.	T. V. Ramaswamy	56,250
	15.	A. Chand	23,000	42.	S. Rangrass	30,600
	16.	S. Chandrasekhar	23,000	43.	S. Janardhana Reddy	23,000
	17.	L. C. Chandrasekharan	32,000	44.	C. V. Sarma	17,600
	18.	B. B. Chatterjee	40,000	45.	R. Senguttuvan	30,600
	19.	C. Dar	40,000	46.	A. Seth	30,600
	20.	C. S. Das	30,600	47.	S. K. Singh	40,000
	21.	S. Dutta	21,280	48.	S. Sivakumar	56,250
	22.	M. Ganesan	30,600	49.	R. Sridhar	23,000
	23.	S. Guha	25,300	50.	S. A. Sule	21,280
	24.	P. Gupta	23,000	51.	B. Sumant	30,600
	25.	D. Haksar	30,600	52.	K. S. Suresh	40,000
	26.	S. Kaul	23,000	53.	R. Tandon	56,250
	27.	S. Kumar	25,300	54.	S. Tyagi	21,280
	^ Non-Executive Director					
	(ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year. :		None			
	(iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. :		None			
(K)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'. :		₹ 10.96			

(L)	(i) Method of calculation of employee compensation cost.	: The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2013-14 is Nil.
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options.	: ₹ 406.24 crores
	(iii) The impact of this difference on profits and on Earnings Per Share of the Company.	: The effect on the profits and earnings per share, had the fair value method been adopted, is presented below: Profit After Tax ₹ in Crores As reported 8,785.21 Add: Intrinsic Value Compensation Cost Nil Less: Fair Value Compensation Cost 406.24 (Black Scholes model) Adjusted Profit 8,378.97 Earnings Per Share Basic (₹) Diluted (₹) As reported 11.09 10.96 As adjusted 10.58 10.45
(M)	Weighted average exercise prices and weighted average fair values of Options granted whose exercise price either equals or exceeds or is less than the market price of the stock.	: Weighted average exercise price per Option : ₹ 2,979.00 Weighted average fair value per Option : ₹ 770.36
(N)	A description of the method and significant assumptions used during the year to estimate the fair values of Options.	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate 9.45% (ii) Expected life 3.18 years (iii) Expected volatility 23.55% (iv) Expected dividends 1.94% (v) The price of the underlying shares in market at the time of Option grant ₹ 2,982.00 (One Option = 10 Ordinary Shares)

New Delhi, 23rd May, 2014

On behalf of the Board
Y. C. DEVESHWAR *Chairman*
P. V. DHOBAL *Director*

Annexure to the Report of the Directors

For the Financial Year Ended 31st March, 2014

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- or more per annum.								
Ahmed Riaz	58	V.P. - Finance & MIS (LRBD)	65,80,612	35,17,504	B.Com., A.C.S., I.C.W.A.	28	23.01.1986	@
Ambasta Ashesh (Dr.)	55	V.P. - Social Investments	62,96,009	32,75,174	M.A., M. Phil., Ph.D. (I.S.S., The Hague)	27	01.04.2002	Action Aid (India), Sr. Programme Analyst
Anand Nakul	57	Executive Director	2,38,50,165	1,00,25,354	B.A. (Hons.)	34	01.12.1979	@
Arif Nazeeb	52	V.P. - Corporate Communications	80,33,331	39,85,099	B.A.(Hons.), M.A.	28	01.09.2006	Indian Chamber of Commerce, Secretary General
Bagri Giriraj	44	General Manager (FD)	65,85,714	31,70,538	B.Com.(Hons.), P.G.D.B.M.	17	01.08.2012	Castrol India Ltd., Cluster Marketing Director
Balakrishnan Subramanian	47	Head - Manufacturing Operations (PCPB)	60,67,842	28,64,119	B.E.	27	01.09.1987	Nil
Batra Rakesh	50	Services on Loan to Subsidiary Co.	67,59,993	32,56,245	B.Com.(Hons.), F.C.A.	32	01.09.1986	Nil
Bezbaroa Sanjib K	51	V.P. - Corporate EHS	60,48,559	28,38,602	B.E.(Elec.), P.G.D. (Environmental Mgmt., Univ. of London)	31	02.06.1997	Tata Consulting Engineers Ltd., Engineer
Bonnety Guillaume Francois Pierre	45	Executive Pastry Chef, ITC Grand Chola (HD)	79,45,981	56,16,385	Brevet Des College Cert. D.F.E.O. Dip. C.A.P. Pastry & C.A.P. Baker, Brevet de maitrise Baker	17	24.01.2013	Bellagio Complex, Dhaka, Corporate Pastry Chef
Bose Kamal Ranjan	54	General Manager - Institutional Sales (ITD)	65,22,299	29,15,713	B.A.(Hons.), P.G.D.M.	34	16.01.1995	#
Chand A	49	Divisional Chief Executive (LRBD)	80,20,102	39,09,379	B.A., M.B.A.	27	01.06.1988	Godfrey Philips (I) Ltd., Mktg. Exec.
Chandrasekhar S	61	Services on Loan to Subsidiary Co.	67,90,347	33,51,877	B.Sc., F.C.A.	36	01.01.1978	@
Chamchoy Sasakamol	51	Spa Manager, ITC Grand Chola (HD)	72,92,692	51,69,739	Bachelor of Humanities, Ramkhamheang Univ.	26	17.01.2011	The Leela Kempinski, Udaipur, Spa Manager
Charraudeau Philippe Herve	57	V.P. & General Manager - ITC Maratha (HD)	1,78,39,615	1,18,51,850	B.E.P.C., (Rehaul Rebut), C.A.P.	32	09.05.2011	Movenpick Hotels & Resorts, Saudi Arabia, G.M.
Chandrasekharan L C (Dr.)	59	Chief Scientist - Research & Technology Innovation (LS & T)	1,01,92,732	65,28,065	Ph.D.	32	01.10.2005	G.E. India, Director, Mfg. Engg.
Chatterjee B B	61	Executive V.P. & Company Secretary	1,02,94,602	59,33,149	B.Com. (Hons.), F.C.A., F.C.S., LL.B.	36	16.05.1983	Wacsgen, Deputy Mgr.
Dar C	58	Divisional Chief Executive (FD)	1,15,99,688	51,84,609	B.Tech. (Hons.), P.G.D.M.	35	01.05.1981	Tata Eng. & Loco. Co., Shift Supvr.
Das C S	58	SBU Chief Executive (ESPB)	85,77,710	42,43,507	B. Tech. (Hons.), M.B.A.	34	15.04.1980	Larsen & Toubro Ltd., Trainee
Deveshwar Y C	67	Executive Chairman	12,87,69,377	5,87,97,509	B.Tech. (Mech.)	45	11.02.1994	Air India Ltd., Chairman & M.D.
Dhobale P V	58	Executive Director	2,32,80,150	99,53,199	B.Tech. (Chem.)	37	01.07.1977	#
Dutta Saradindu	54	Head - Corporate Accounts	70,38,265	34,27,537	B.Com.(Hons.), M.Com., A.C.A.	32	01.12.1982	Organon (I) Ltd., Trainee, Accounts
Dutta Supratim	47	Executive V.P. - Corporate Finance	66,95,615	35,95,173	B.Com.(Hons.), C.W.A., A.C.A.	23	01.11.1990	Nil
Ganesan M	51	Executive V.P. - Finance, Procurement & IT (FD)	76,74,898	38,26,629	B.Com., A.C.A., A.C.S.	28	01.03.1986	Nil
Ganesh Kumar S	46	Executive V.P. - Staples & Snacks (FD)	73,34,464	36,79,793	B.E.	22	14.12.1991	Nil
Garg A K	53	Head - Finance & IT (PCPB)	62,90,400	31,55,732	B.A.(Hons.), M.B.A. (U.S.A.)	31	01.08.1985	International Travel House Ltd., Regional Financial Controller
Grant K N	56	Executive Director	2,32,54,231	1,00,20,970	B.A.(Hons.), M.B.A.	35	02.06.1980	DCM Ltd., Mgmt. Trainee
Guha Sumitro	52	Executive V.P. - Technical (ITD)	73,40,049	37,05,962	B.Tech.	31	03.08.1992	Tata Consulting Engineers, Sr. Asst. Engineer
Gullota Massimo	50	Italian Chef - ITC Grand Chola (HD)	77,60,869	54,85,698	M.N.E.F.S.M.P. (New York Academy), H.S. (Milan), C.S. (Lausanne)	21	26.09.2011	G Mgmt., Bangkok, Thailand, Exec. Chef
Gupta P	57	Head - Corporate Taxation	73,78,191	44,50,004	B.Com. (Hons.), A.C.A., D.M.A.(I.C.A.)	34	15.02.1989	Hindustan Lever Ltd., Group Audit Manager
Haksar Dipak	56	Chief Operating Officer (HD)	68,74,852	33,32,316	B.Com. (Hons.)	36	01.09.1977	@
Janardhana Reddy S	65	Executive V.P. - Corporate Affairs	86,33,897	42,02,466	B.Sc. (Ag.)	41	27.12.1972	Nil
Kaul Sandeep	47	SBU Chief Executive (PCPB)	78,46,258	39,08,984	B.E., P.G.D.M.	24	01.06.1990	Nil
Kavarana D	58	Chief Executive Officer - WelcomHeritage (HD)	60,24,728	23,14,317	B.Com., Dip. in Hotel Mgmt. & Nutrition	36	01.08.1978	Nil
Madan Sachidanand	55	Services on Loan to Subsidiary Co.	93,30,659	43,27,461	B.Com.(Hons.), A.C.A., A.C.S.	32	01.04.2012	Russell Credit Ltd. - On Deputation to Technico Agri Sciences Ltd. as Director
Malik Hemant	47	Chief Operating Officer (ITD)	90,16,636	44,38,547	B.A., M.B.A.	25	01.06.1989	Nil
Mehta Sartaj Singh	44	Creative Head (LRBD)	70,02,636	43,87,115	B.A., P.G.D. Knitwear Design Tech.	16	01.09.2012	Robemall Apparel Pvt. Ltd., V.P., Design & Sourcing
Mukerji Arup K	55	Corporate Financial Controller	1,03,48,647	49,51,801	B.Com. (Hons.), A.C.A.	32	01.11.1982	Gupta Chowdhury & Ghose, Jr. Officer

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Mukherjee Nilanjan	46	Head - Marketing (PCPB)	62,37,859	30,54,811	B.E., M.B.A.	18	30.09.2010	I. Morph Consulting, Partner
Mukherjee P	52	Head - Finance & MIS (ABD-ILTD)	69,14,201	31,44,938	B.Com.(Hons.), A.C.S., A.C.A.	27	01.09.1987	M/s Khanna & Annadhana, Ch. Accountants, Asst. Audit
Mukherjee Soumitra (Dr.)	48	Chief Scientist (ITD)	64,43,424	40,71,224	B.Sc., M.Sc., Ph.D., Post Doctorate	19	16.03.1998	ICI India Ltd., Manager Q.A.
Nariyoshi Nakamura	62	Master Chef, WelcomHotel, New Delhi (HD)	73,04,607	51,80,102	Graduate from Nihon University	22	24.05.2010	The Metropolitan Hotel Nikko, Exec. Chef
Nayak Anand	62	Executive V.P. & Head - Corporate Human Resources	1,65,05,713	84,16,549	B.Sc., P.G.D.I.R.	41	14.05.1973	Nil
Noronha A R	60	Executive V.P. - Projects (HD)	69,76,523	32,66,803	B.E. (Elec.)	36	01.05.1978	@
Parasuram R	55	Executive V.P. - Internal Audit	77,43,926	41,86,733	B.Com. (Hons.), A.C.A.	32	15.09.1982	Nil
Pathak Arun	54	Executive V.P. - Finance (HD)	80,83,212	35,18,230	B.Com. (Hons.), F.C.A.	31	20.06.1983	Nil
Prasad K T	58	Executive V. P. -Corporate Human Resources	70,06,191	34,22,935	B.A., M.A. (P.M., I.R. & L.W.)	33	01.06.1999	ITC Agro Tech., G.M. - H.R.
Puri Sanjiv	51	Divisional Chief Executive (ITD)	1,19,72,896	52,64,931	B.Tech.	29	20.01.1986	TELCO Ltd., Trainee
Qing Liang Xiao	52	Executive Chinese Chef, ITC Maratha (HD)	71,17,628	50,49,099	Cooking School of Beijing Tourism Administration	33	01.04.2009	The Great Wall Sheraton Hotel, Exec. Chinese Chef
Rai R K	51	Chief Operating Officer (ABD)	69,06,692	37,22,659	B.A. (Mktg.), P.G.D. in Export & Imports	31	16.08.1990	Britannia Industries Ltd., Commercial Officer
Rajasekharan V M	55	SBU Chief Executive - Agarbatti & Matches	73,04,086	35,18,163	B.E.	34	01.06.1986	M.M. Rubber Co. Ltd., Sales Mgr.
Rajesh V L	46	Executive V.P. - Marketing (FD)	76,74,747	38,52,836	B.Sc., M.B.A.	24	01.06.1990	Nil
Rajput A K	58	Senior V.P. - Corporate Affairs	1,18,92,910	52,80,293	B.Com., M.B.A.	38	10.04.1976	Nil
Ramamurthi Suresh (Dr.)	49	Chief Technologist (PCPB)	65,23,417	32,47,955	B.Sc., M.Sc.(Tech.), Ph.D.	18	27.08.2007	Hindustan Unilever Ltd., Sr. Scientist
Ramaswamy T V	62	Group Head - LS & T, Projects & EHS	1,56,17,076	68,71,468	B.E., M.M.S.	40	01.07.1974	Nil
Rangrass S	53	Divisional Chief Executive (ABD-ILTD)	87,08,422	47,12,807	B.Tech.	32	01.07.1982	Nil
Rastogi Mukul	46	V.P. - Human Resources (LRBD)	62,27,099	30,20,945	B.A., M.A.	25	01.06.1989	Nil
Roy A	48	V.P. - Commercial Operations (ITD)	67,05,464	32,15,729	B.Com.(Hons.), A.C.A.	25	04.06.1990	E.L.M.(I) Ltd., Accounts Officer
Roy S	56	V.P. - Marketing & Retail (LRBD)	60,60,663	29,53,464	B.A.(Hons.), M.B.A.	20	15.10.1996	Shaw Wallace & Co. Ltd., G M Marketing
Sen Gupta P	56	General Manager - Internal Audit	62,56,565	31,12,142	B.Sc.(Hons.), A.C.A.	32	01.07.1987	Indian Aluminium Co. Ltd., Finance Officer
Senguttuvan R	52	SBU Chief Executive (PPB)	82,21,403	40,96,835	B.E., P.G.D.M.	28	27.05.1991	Asian Paints, Purchase Exec.
Seth Anil	56	Executive V.P. - Finance & MIS (ITD)	88,98,307	39,41,371	B.A. (Hons.), A.C.A., P.G.D.B.M.	31	01.11.1982	Nil
Shanmuga Sundaram A	47	Associate General Counsel	62,97,456	33,01,831	B.L., M.L.	25	20.10.1997	Maxworth Home Ltd., Manager, Legal
Singh Jagdish	48	Head - Corporate Treasury	61,63,474	37,23,264	B.Com.(Hons.), A.C.A	26	01.04.1990	Lovelock & Lewes, Jr. Asst.
Singh S K	57	Divisional Chief Executive (PSPD)	83,76,293	42,79,343	B.Tech. (Chem.)	37	21.06.1977	#
Singhi Rajendra Kumar	49	Senior Deputy Company Secretary	60,17,468	33,37,819	B.Com.(Hons.), LL.B., F.C.S.	29	01.08.1988	Chemcrown (I) Ltd., Asst Secretary
Sivakumar S	53	Divisional Chief Executive (ABD)	1,57,61,053	82,33,586	B.Sc., P.G. Dip. in Rural Mgmt.	31	18.09.1989	Gujarat Co-op Oil Seeds Growers' Fed. Ltd., Mgr. Mktg.
Sridhar R	55	Executive V.P. - Human Resources (ITD)	75,89,717	37,44,852	B.Sc., P.G. Dip. in P.M. & I.R., Fellow in Mgmt.	32	01.06.1982	Nil
Sule Sandeep Arun	48	Executive V.P. - Sales Operations & Development (ITD)	72,01,528	35,16,788	B.Com., M.I.B.	24	16.07.1990	Bayer India Ltd., Management Trainee
Sumant B	50	Services on Loan to Subsidiary Co.	89,49,302	42,59,633	B.E.	28	20.01.1986	Nil
Suresh K S	53	General Counsel	1,17,99,450	51,87,095	B.A., B.L., P.G.D.P.M., I.R. & L.W.	31	01.09.1990	Chambers of Sri C.S. Venkata Subramaniam, Advocate
Suresh Karanam Narasimha	61	Chief Technologist - Blending & Cigarette Design (ITD)	66,17,356	33,07,338	B.Sc., M.Sc.	39	01.03.1977	Flavours & Essences Pvt. Ltd., Flavour Technologist
Tandon R	60	Chief Financial Officer	1,55,61,568	69,24,777	B.Sc., F.C.A.	36	01.01.1987	Triveni Handlooms Ltd., Finance Mgr. & Secy.
Tyagi Shailender	55	Executive V.P. - Head of Supply Chain & Logistics (ITD)	73,28,132	36,69,637	M.Sc., P.G.D.	32	01.02.1982	Nil
Venkateswaran Krishnan (Dr.)	54	Chief Scientist - Product Development (PCPB)	73,53,176	46,84,522	B.Sc., M.Sc., Ph.D.	29	05.05.2005	Hindustan Lever Ltd., Head - Skin, Cleansing & Care
Wali Paritosh	44	Head - Biscuits & Confectionery Categories (FD)	60,40,716	30,39,461	B.Tech., Sloan Fellowship	23	16.08.1991	Nil
Wanchoo Siddharth	53	General Manager - Marketing (ITD)	70,93,452	35,44,866	B.Com. (Hons.)	33	19.10.1981	Nil
Zachariah Abraham	55	V.P. & Head - Central Projects Organisation	61,41,583	29,71,354	B.Sc.(Engg.)	31	01.09.2012	Lanco Infratech Ltd., Senior Vice President

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Employed for a part of the year and in receipt of remuneration aggregating ₹ 5,00,000/- or more per month.								
Ahmad Syed Mahmood	60	Services on Loan to Tobacco Institute of India	39,13,833	9,18,464	B.A., M.A.	37	06.03.1980	ANZ Grindlays Bank Plc., Mgmt. Trainee
Ahuja Arun Kumar	24	Asst. Manager - Technical (PPB)	3,31,532	2,96,817	B.Tech. (Elec.)	3	01.06.2011	Nil
Amrutavakkula Srivani	24	Asst. - Technical (FD)	91,162	90,686	B.Tech. (Food Tech.)	3	14.06.2010	Kayan Foods, Quality Hygienist
Audichya Rahul	28	Manufacturing Executive (FD)	37,963	37,670	B.Tech.	4	29.04.2010	Nil
Bajaj Shivani	32	Research Associate (LS & T)	58,042	57,890	B.Sc., M.Sc.	9	11.09.2006	Defence Food Research Lab., Trainee
Basu S	62	Head - Internal Audit	1,25,25,546	64,67,402	A.C.A., F.C.A. (Eng. & Wales)	44	02.01.1978	Whinney Murray & Co., London, Audit Asst.
Beri Dipak Kumar	38	Manager - Finance (PPB)	3,88,287	3,59,676	A.C.A.	11	01.12.2003	Metcon Water Systems Pvt. Ltd., Exec. Finance
Bhasin P K	60	Manager - Projects, North (ITD)	10,33,580	8,82,792	B.Sc.	33	01.01.1982	Jagjit Industries Ltd., Material Inspector
Bhatnagar M S	62	V.P. - Growth & Development (HD)	55,04,626	29,74,031	B.Sc., M.B.A.	39	01.01.1975	@
Bhatt Ananth S	38	Area Manager (ITD)	96,369	95,622	B.Tech., M.B.A.	12	20.10.2008	Australian Trade Commission, Business Dev. Manager
Bhatt Saurabh	32	Area Executive (ITD)	53,110	52,910	B.Sc., P.G.D.B.M.	9	07.06.2007	Ducks, Sales Officer
Bhosle Ninad	60	V.P. - Operations (ABD)	43,63,432	26,63,453	B.Sc., M.Sc.	37	15.02.1989	Voltas International Ltd., Export Manager
Chatterji Salil Kumar	60	General Manager - Marketing (PSPD)	16,52,002	11,09,310	B.Sc.	36	14.12.1993	Modi Xerox Ltd., Manager Tech. & Quality Assurance
Chaturvedi Abhay	28	Operations Executive - Soap (PCPB)	1,25,227	1,20,541	B.Tech., H.B.T.I.	4	15.07.2009	Nil
Chowdhury Amiya Kanta	60	Head - Operations (ESPB)	48,94,022	27,18,080	B.E. (Elec.)	36	15.10.1982	The Gramophone Co. (I) Ltd., Maintenance & Dev. Engr.
Das Jayanta Kr	60	Asst. Manager (PSPD)	1,70,642	1,68,175	B.Sc.	36	10.06.1977	Nil
Deo Rujuta Kiran	26	Sales Executive (HD)	1,98,425	1,60,921	Bachelors Degree in Hotel Mgmt.	3	14.07.2010	Nil
Dhayah B	24	Officer (PSPD)	73,667	64,799	B.Tech. (Elec. Engg.)	2	11.07.2011	Nil
Dutt Ashok	60	V.P. - Learning & Development	60,12,071	35,68,076	B.A., Dip. in M.G., M.L.S.	38	01.10.1985	EIEI Hotels Ltd., Personnel Mgr.
Elchetty Prasad S	49	Asst. Manager - Projects (HD)	2,38,642	2,27,142	Dip. in Sanitary Inspection	23	01.06.1999	@
Gopinath Sushil	32	Area Retail Manager (LRBD)	1,62,768	1,55,251	B.Sc., M.B.A.	7	04.06.2007	24/7 Customer Pvt. Ltd., E-Relationship Officer
Govindarajan S	60	Purchase Manager (HD)	18,36,789	11,14,124	B.A.	37	01.10.1976	@
Gupta Sandeep	32	Area Executive (ITD)	78,216	77,872	B.Com., M.B.A.	13	02.04.2007	HDFC Bank, Sr. Sales Officer
Jain Arun	60	Manager - Projects (HD)	8,31,324	6,93,824	Dip. in Refrigeration & AC	37	01.04.1977	@
Kedia Nishant	24	Asst. Manager - Processing (ABD-ILTD)	1,98,033	1,87,565	B.Tech (Mech.)	3	14.06.2010	Nil
Keshava S	55	General Manager - Marketing (ITD)	37,71,298	25,92,583	B.Com.(Hons.)	34	03.10.1989	S.A.S. Chemical Pvt. Ltd., Director.
Khaitan Nidhi	30	Sr. Customer Associate (LRBD)	23,699	20,588	B.Sc.	5	24.12.2007	Nil
Kikuta Fumio	51	Japanese Chef, ITC Gardenia (HD)	59,73,963	42,74,388	Craftsmanship in Japanese Cuisine, Bahrain	31	11.07.2013	SATO Japanese Restaurant, Bahrain, Japanese Chef
Kumar K Nanda	60	Divisional Head - Human Resources (PSPD)	37,32,862	23,74,176	B.Sc., M.B.A.	37	30.08.1991	Hindustan Zinc Ltd., Personnel Manager
Kumaraswamy H S	64	Executive V.P. & Head - Central Projects Organisation	30,34,375	18,20,366	B.E., M.E.	41	01.10.1982	Dunlop India Ltd., Sr. Project Engr.
Lall U	63	Services on Loan to Tobacco Institute of India	98,20,030	56,69,889	B.A. (Hons.)	42	03.01.1972	PARCO, Officer on Spl. Duty
Madaiah K C	42	Sr. Officer - Coffee Curing (ABD)	1,07,770	1,00,913	B.A., Dip. in Hotel Mgmt.	20	02.07.2007	Ecom Gill Coffee Trading Pvt. Ltd., Asst. Manager (Works)
Mane Kiran Narayan	28	Area Executive (ITD)	52,424	52,119	B.Com., M.B.A.	5	03.11.2008	ICICI Prudential Life Insurance, Associate Health Assurance
Mani Shyamala	23	Officer (PSPD)	72,370	63,850	B.Tech. (Chem.)	2	11.07.2011	Nil
Mathur Pranav	25	Asst. Manager - Technical (PPB)	2,80,563	2,56,588	B.Tech.	3	14.06.2010	Nil

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Mishra Ratan	37	Asst. Manager - Manufacturing (FD)	1,74,198	1,68,078	B.Tech. (Mech.)	12	10.04.2006	Hindalco Industries Ltd., Engr.
Mohan Wagh Aditya	27	Asst. Manager - Finance (FD)	57,116	56,855	B.Com., A.C.A	2	01.04.2013	BSR & Co., Sr. Auditor
Murthy K S V V S	60	Executive - Leaf Operations (ABD-ILTD)	3,77,180	3,67,300	B.Com.	23	10.09.1990	Nil
Naidu S V Prasanth	28	Asst. Product Manager (PCPB)	1,84,595	1,77,580	B.Tech.	5	09.07.2008	Nil
Patel Amrish Kumar	40	Asst. Manager - Extension Services (ITD)	38,646	37,806	B.V.Sc., M.V.Sc.	9	03.08.2012	Bios Greentech, Manager - Dairy Farming
Philip Nithin Shaji	28	Store Manager (LRBD)	1,26,395	1,19,636	B.E., M.B.A.	4	14.04.2010	Nil
Prasad Karnati Ram	27	Officer - Finance (ABD-ILTD)	37,697	35,933	B.Com.	1	15.05.2013	Skanda Prefab Industries (P). Ltd., Tax Head
Rajavolu Sujeeth	27	Asst. - Logistics (ITD)	89,458	86,663	B.Tech., M.B.A.	2	01.06.2011	Nil
Ramalingam Revathi	30	Asst. - Human Resources (PPB)	2,29,204	2,16,850	B.E., M.B.A.	7	14.06.2010	HT Media Ltd., Copy Editor
Rao B V S Joga	60	Divisional Head - Commercial (PSPD)	32,38,637	20,96,465	B.Com., M.Com., I.P.M.M., Export Mgmt.	14	24.05.1999	Bridgeway Trading, Dubai, General Manager
Reddy K A S	60	Head - Industry Affairs (ABD - ILTD)	54,12,881	32,39,550	B.Sc. (AG)	35	14.06.1979	Nil
Sebastian K J	60	Unit Financial Controller (HD)	20,55,622	12,55,701	B.Com., A.C.A., P.G. Dip. in Financial Mgmt.	27	01.10.1986	@
Sebastian Michelle	31	Asst. Manager, P.R. - ITC Gardenia (HD)	87,343	83,872	Bachelors Degree in Hotel Mgmt.	8	01.12.2009	ISTA, P.R. Manager
Sehrawat Sonia	29	Asst. Manager, Finance - ITC Maurya (HD)	1,21,997	1,15,634	B.Com.	3	08.04.2010	Nil
Sharma Sandeep	32	Area Executive (ITD)	71,124	70,884	B.Sc., P.G.D.M.	8	01.06.2007	Hindustan Coca Cola Beverages Pvt. Ltd., Market Dev. Officer
Singh Manjeet	42	Div. Manager - Logistics (LRBD)	2,68,136	2,45,403	B.Com., Dip. in Material Mgmt.	19	20.10.2011	Future Group, Dy. G.M.
Sivadas N M	62	Head - Product Development (PPB)	20,27,116	14,50,354	D.E.E.	40	10.04.1981	Suri & Nayar Ltd., Engr.
Suenwong Shing	54	Master Chef - Chinese Cuisine, WelcomHotel, New Delhi (HD)	24,81,363	18,76,858	Sheung Sha Chuen Secondary School, China	35	01.12.2013	The Leela Kempinski, Mumbai, Master Chef - Chinese
Suganya M V	25	Officer (PSPD)	73,426	63,850	B.Tech.	2	11.07.2011	Nil
Tamta Sanjay Kumar	35	Asst. Manager - Manufacturing (FD)	1,03,817	1,02,903	B.Tech. (Food Tech.)	14	18.11.2004	M B Foods (P) Ltd., Prod. Shift Incharge
Upadhyay Vineet	42	Channel Manager (ABD)	1,31,886	1,29,277	B.Sc., B.Tech., M.B.A.	14	01.08.2005	Escorts Finance Ltd., Regional Manager
Varri Kiran Kumar	36	Manager, Six Sigma - ITC Gardenia (HD)	2,72,906	2,51,359	B.Com., M.B.A.	9	29.10.2007	HSBC, Asst. Manager, Service Excellence
Waghole Vikas Namdev	32	Tech. Associate (FD)	64,822	64,536	Mech. Degree	14	10.10.2006	Pepsico India Holdings Pvt. Ltd., Operator

Abbreviations denote :

ITD	: India Tobacco Division	HD	: Hotels Division
PSPD	: Paperboards & Specialty Papers Division	ESPB	: Education & Stationery Products Business
LRBD	: Lifestyle Retailing Business Division	PCPB	: Personal Care Products Business
ABD	: Agri Business Division	PPB	: Printing & Packaging Business
ABD - ILTD	: Agri Business, India Leaf Tobacco Division	LS&T	: Life Sciences & Technology
FD	: Foods Division		

@ Previously employed with ITC Hotels Ltd. which was merged with the Company on March 23, 2005

Previously employed with ITC Bhadrachalam Paperboards Ltd. which was merged with the Company on March 13, 2002

Notes :

1. Remuneration includes salary, performance bonus, allowances & other benefits/ applicable perquisites except contribution to the approved Group Pension under the defined benefit scheme and Gratuity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 1956.
2. Net remuneration comprises cash income less : a) income tax, surcharge (as applicable) & education cess deducted at source.
b) manager's own contribution to Provident Fund.
3. All appointments are/were contractual in accordance with terms and conditions as per Company rules.
4. None of the above employees is a relative of any Director of the Company.

On behalf of the Board
Y. C. DEVESHWAR *Chairman*
P. V. DHOBALE *Director*

New Delhi, 23rd May, 2014

Annexure to the Report of the Directors

CONSERVATION OF ENERGY :

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT

a) Energy conservation measures taken :

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy in meeting their requirements. Various key performance indicators like specific energy consumption (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall carbon strategy. Innovative ways and new technologies were constantly explored to bring about alignment with the Government of India's National Action Plan on Climate Change. Some of the measures adopted across the Company were :

- I. Improvement in energy usage efficiencies of lighting systems by changing over to more efficient lighting solutions such as Light Emitting Diodes and increased usage of daylight harvesting systems.
- II. Replacement of existing motors, pumps, fans, air compressors, boilers and air conditioning systems with more energy efficient equipment.
- III. Optimisation of lighting and air conditioning systems by installation of automated controls and sensors.
- IV. Installation of automatic condenser tube cleaning system for air conditioning plant.
- V. Implementation of waste heat recovery from processes and reduction of process steam losses.
- VI. Improvement of ventilation system on paper machines to enhance the paper drying process.
- VII. Installation of variable frequency drives to optimise energy consumption.

VIII. Enhancement of boiler efficiency by optimising the air-fuel ratio.

IX. Utilisation of biomass gasification technology to generate Producer Gas.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

- I. Installation of additional wind and solar photovoltaic based power plants and biomass residue based boilers across businesses.
- II. Installation of small hydro power plants to meet electrical energy demands of the Company's facilities in northern and eastern India.
- III. Recovery of waste heat from chillers and air compressors for hot water generation.
- IV. Replacement of existing lighting systems with higher efficiency systems and maximising natural day lighting.
- V. Replacement of existing motors, pumps and air conditioning systems with more energy efficient sets.

c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

The continued focus on energy conservation measures across the Company has resulted in savings in energy cost. Apart from offsetting the inflationary trend in fuel / electricity, these measures along with the usage of renewable energy have also contributed in reducing the Company's greenhouse gas emissions. Significant reductions in specific energy consumption have been recorded across businesses with commensurate reduction in costs. As a result of these improvements, overall energy consumption (thermal and electrical) recorded only a marginal increase, despite a significant scale-up in the manufacturing / processing operations during the year.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:

A. POWER AND FUEL CONSUMPTION

Relating to Paperboards & Paper

	For the year ended 31st March 2014	For the year ended 31st March 2013
1. Electricity		
a) Purchased Units (KWH in Lakhs)	217	311
Total Amount (₹ in Lakhs)	2133	2614
Rate / Unit (₹)	9.82	8.40
b) Own Generation		
i) Through Diesel Generator		
Units (KWH in Lakhs)	5	11
Units / Litre of Diesel Oil	3.27	3.36
Cost / Unit (₹)	18.97	14.36
ii) Through Wind Turbine / Generator		
Units (KWH in Lakhs)	169	163
Cost / Unit (₹)	0.64	0.75
iii) a) Through Steam Turbine / Generator-Coal / Agri waste Fired Boilers Units (KWH in Lakhs)	4307	3752
Units / Kg. of Coal / Agri waste	1.34	1.35
Cost / Unit (₹)	4.10	3.64
b) Through Steam Turbine / Generator - Soda Recovery Boilers Units (KWH in Lakhs)	2575	2596
Units / Kg. of Black Liquor Solids	0.45	0.44
Cost / Unit (₹)		
	Nil - Internally generated ¹	

¹ since it is a by-product and no significant value is attributable to it.

	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	Process	Power	Total	Process	Power	Total
2. Coal and Lignite						
Quantity (MT)	488840	321220	810060	435365	277383	712748
Total Cost (₹ in Lakhs)			25218			18439
Average Rate (₹ per MT)			3113			2587
3. Furnace Oil						
Quantity (KL)			6261			6567
Total Amount (₹ in Lakhs)			2799			2917
Average Rate (₹ per KL)			44709			44427
4. Others/Internal Generation						
i) De Oiled Rice Bran, Saw Dust etc.						
Quantity (MT)			71858			111612
Total (₹ in Lakhs)			789			1601
Rate / MT (₹)			1098			1435
ii) LP Gas						
Quantity (MT)			1348			1277
Total (₹ in Lakhs)			954			845
Rate / MT (₹)			70733			66159
iii) Black Liquor Solids						
Quantity (MT)			572306			591091
Total (₹ in Lakhs)						
Rate / MT (₹)			Nil - Internally generated ²			

² since it is a by-product and no significant value is attributable to it

B. CONSUMPTION PER UNIT OF PRODUCTION

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Production - Paperboard/Paper (MT)	647796	601253
Electricity (KWH)	1106	1116
Coal and Lignite (MT)	0.75	0.72
Black Liquor Solids (MT)	0.88	0.98
Furnace Oil (Litre)	12	14
Others - De Oiled Rice Bran / Saw Dust / LP Gas etc. (MT)	0.10	0.16

TECHNOLOGY ABSORPTION :

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

Research & Development

1. Specific areas in which R&D was carried out by the Company :

- Site specific, high yielding and disease resistant clones of Eucalyptus, Casuarina and Subabul.
- Hybrid development using molecular biology tools and conventional breeding techniques for Eucalyptus with a focus on higher pulp and wood yield.
- Development of sustainable agro-forestry models for wood & food security.
- Development of deodorants and men's grooming products.
- Development of innovative washes and surface treatments for fabric used for casual wear.
- Packaging boards with modified properties for new contour pack formats have been developed.

2. Benefits derived as a result of the above R&D :

- Improved consumer benefits and development of products with unique value propositions.

- II. Differentiated products and enhanced market standing.
- III. Improved farm productivity in Eucalyptus, Casuarina and Tobacco leading to higher returns to farmers, enhanced green cover and soil conservation.

3. Future Plan of Action :

- I. To build a significant portfolio of 'Intellectual Property' across all businesses.
- II. Product development with nutritional benefits in the Branded Packaged Foods businesses.
- III. Development of high yielding variety of Eucalyptus and Casuarina.
- IV. Crop development activities towards sourcing high quality wheat closer to processing centres.

	For the year ended 31st March, 2014
4. Expenditure on R&D :	(₹ in Lakhs)
i) Capital	2,010.44
ii) Recurring	11,717.91
Total	13,728.35
Total R&D Expenditure as a % of	
— Gross Revenue	0.29%
— Net Revenue	0.42%

Technology Absorption, Adoption and Innovation

- I. Induction of state-of-the-art paperboard manufacturing line and pulp capacity expansion in Andhra Pradesh.
- II. Induction of contemporary technology and continuous improvement projects across businesses towards enhancing flexibility & productivity in manufacture and improving efficiencies by reducing waste, process variability & cycle times.
- III. Induction of state-of-the-art technology for the development of unique and differentiated offers.

Benefits Derived

- I. Enhanced market standing.
- II. Improved productivity and operational effectiveness.
- III. Reduction in manufacturing cost.

On behalf of the Board

New Delhi
23rd May, 2014

Y. C. DEVESHWAR *Chairman*
P. V. DHOBAL *Director*

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE
LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

Certificate

To the Members of
ITC Limited

We have examined the compliance of conditions of Corporate Governance by ITC Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 302009E)

P. R. Ramesh
Partner
(Membership No. 70928)

New Delhi, 23rd May, 2014

CEO and CFO Certification

We, Y. C. Deveshwar, Chairman, P. V. Dhobale, Executive Director and R. Tandon, Chief Financial Officer certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

New Delhi
23rd May, 2014

R. TANDON *Chief Financial Officer*

P. V. DHOBALÉ *Executive Director*

Y. C. DEVESHWAR *Chairman*

Balance Sheet as at 31st March, 2014

	Note	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	795.32		790.18	
Reserves and surplus	2	25466.70	26262.02	21497.67	22287.85
Non-current liabilities					
Long-term borrowings	3	51.00		66.40	
Deferred tax liabilities (Net)	4	1296.96		1203.72	
Other Long term liabilities	5	5.09		3.11	
Long-term provisions	6	110.00	1463.05	125.62	1398.85
Current liabilities					
Short-term borrowings	7	0.14		—	
Trade payables		1987.59		1668.98	
Other current liabilities	8	3631.88		3528.62	
Short-term provisions	9	5884.71	11504.32	5133.13	10330.73
TOTAL		39229.39		34017.43	
ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		11948.69		11118.55	
Intangible assets		64.05		90.79	
Capital work-in-progress - Tangible assets		2272.94		1472.80	
Intangible assets under development		22.79		14.99	
		14308.47		12697.13	
Non-current investments	11	2512.17		2000.86	
Long-term loans and advances	12	1480.02	18300.66	1727.97	16425.96
Current assets					
Current investments	13	6311.26		5059.43	
Inventories	14	7359.54		6600.20	
Trade receivables	15	2165.36		1163.34	
Cash and bank balances	16	3289.37		3615.00	
Short-term loans and advances	17	783.51		512.14	
Other current assets	18	1019.69	20928.73	641.36	17591.47
TOTAL		39229.39		34017.43	

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2014

	Note	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
Gross Income	19	48175.80	43044.21
Gross Revenue from sale of products and services	20	46712.62	41809.82
Less: Excise Duty		13830.06	12204.24
Net Revenue from sale of products and services		32882.56	29605.58
Other operating revenue		356.04	295.69
Revenue from operations	21	33238.60	29901.27
Other income	22	1107.14	938.70
Total Revenue		34345.74	30839.97
Expenses			
Cost of materials consumed	23	10263.28	8936.21
Purchases of Stock-in-Trade	24	3021.47	3375.92
Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and Intermediates	25	(128.41)	(246.35)
Employee benefits expense	26	1608.37	1387.01
Finance costs	27	2.95	86.47
Depreciation and amortisation expense		899.92	795.56
Other expenses	28	6019.05	5820.97
Total Expenses		21686.63	20155.79
Profit before tax		12659.11	10684.18
Tax expense:			
Current tax	29	3791.13	2934.79
Deferred tax	30	82.77	331.00
Profit for the year		8785.21	7418.39
Earnings per share (Face Value ₹ 1.00 each)	31 (i)		
Basic		₹ 11.09	₹ 9.45
Diluted		₹ 10.96	₹ 9.33

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	12659.11	10684.18
ADJUSTMENTS FOR:		
Depreciation and Amortisation Expense	899.92	795.56
Finance costs	2.95	86.47
Interest Income	(412.77)	(355.48)
Dividend Income from Long Term Investments	(217.27)	(123.96)
Dividend Income from Current Investments	(140.15)	(186.54)
Loss on Sale of Fixed Assets - Net	12.95	23.73
Net gain on sale of Current Investments	(329.44)	(146.02)
Gain on sale of Long Term Investments	—	(121.62)
Doubtful and Bad Debts	11.17	7.49
Doubtful and Bad Advances, Loans and Deposits	0.11	0.30
Excess of Carrying Cost over Fair Value of Current Investments - Net	3.31	—
Excess of Cost of Current Investments over Fair Value, reversed - Net	—	(25.80)
Foreign Currency translations and transactions - Net	1.76 (167.46)	7.36 (38.51)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12491.65	10645.67
ADJUSTMENTS FOR:		
Trade Receivables, Loans and Advances and Other Assets	(1404.10)	(421.14)
Inventories	(759.34)	(962.37)
Trade Payables, Other Liabilities and Provisions	431.29 (1732.15)	334.08 (1049.43)
CASH GENERATED FROM OPERATIONS	10759.50	9596.24
Income Tax Paid	(3797.20)	(2886.35)
NET CASH FROM OPERATING ACTIVITIES	6962.30	6709.89
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2593.47)	(2097.66)
Sale of Fixed Assets	20.83	7.73
Purchase of Current Investments	(82231.94)	(69881.72)
Sale/Redemption of Current Investments	81327.47	69376.31
Purchase of Long Term Investments from Subsidiary	(1.69)	(9.97)
Investment in Joint Ventures	(1.24)	—
Investment in Subsidiaries	(85.42)	(50.43)
Sale of Long Term Investments	...	134.44
Dividend Income from Long Term Investments Received	217.27	123.96
Dividend Income from Current Investments Received	140.15	186.54
Interest Received	387.33	263.89
Investment in bank deposits (original maturity more than 3 months)	(2817.80)	(3397.39)
Redemption/Maturity of bank deposits (original maturity more than 3 months)	3125.96	2513.02
Investment in deposits with financial institutions	(750.00)	(425.00)
Redemption/Maturity of deposits with financial institutions	425.00	—
Loans Given	—	(1179.20)
Loans Realised	14.26	854.70
NET CASH USED IN INVESTING ACTIVITIES	(2823.29)	(3580.78)

Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	691.08	922.31
Proceeds from Long-term borrowings	—	0.35
Repayment of Long-term borrowings	(11.27)	(10.03)
Net increase/(decrease) in Cash/Export Credit Facilities	0.14	(1.77)
Interest Paid	(46.35)	(70.14)
Net increase in Statutory Restricted Accounts Balances	17.36	15.16
Dividend Paid	(4148.46)	(3518.29)
Income Tax on Dividend Paid	(676.35)	(570.14)
NET CASH USED IN FINANCING ACTIVITIES	(4173.85)	(3232.55)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(34.84)	(103.44)
OPENING CASH AND CASH EQUIVALENTS	155.90	259.34
CLOSING CASH AND CASH EQUIVALENTS	121.06	155.90

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
- During the year, loan given to WelcomHotels Lanka (Private) Limited, a wholly owned subsidiary, has been converted to 9,23,04,000 equity shares. This is a non-cash transaction.

3. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents as above	121.06	155.90
Other bank balances	3168.31	3459.11
Unrealised Gain/(Loss) on Foreign Currency Cash and Cash Equivalents	...	(0.01)
Cash and bank balances (Note 16)	<u>3289.37</u>	<u>3615.00</u>

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Notes to the Financial Statements

	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 (₹ in Crores)
1. Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	10,00,00,00,000	1000.00	10,00,00,00,000	1000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	7,95,31,82,950	795.32	7,90,18,33,110	790.18
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	7,90,18,33,110	790.18	7,81,84,24,300	781.84
Add: Issue of Shares on exercise of Options	5,13,49,840	5.14	8,34,08,810	8.34
As at end of the year	7,95,31,82,950	795.32	7,90,18,33,110	790.18
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 %	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 %
Tobacco Manufacturers (India) Limited	1,98,55,64,880	24.96	1,98,55,64,880	25.13
Life Insurance Corporation of India	1,10,28,29,844	13.87	96,18,42,593	12.17
Specified Undertaking of the Unit Trust of India	89,67,24,540	11.28	89,67,24,540	11.35
C) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2014 (No. of Shares)		2013 (No. of Shares)	
Bonus Shares issued in 2010-11	3,82,67,01,530		3,82,67,01,530	
D) Rights, preferences and restrictions attached to the Ordinary Shares				
The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
E) Shares reserved for issue under Options				
	As at 31st March, 2014 (No. of Shares)		As at 31st March, 2013 (No. of Shares)	
Ordinary Shares of ₹ 1.00 each	26,58,13,470		25,06,80,820	

Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options:	30% vests
On completion of 24 months from the date of grant of the Options:	30% vests
On completion of 36 months from the date of grant of the Options:	40% vests

The Options have been granted at the 'market price' as defined from time to time under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
2. Reserves and surplus		
Capital Reserve		
At the beginning and at the end of the year	2.48	2.48
Capital Redemption Reserve		
At the beginning and at the end of the year	0.30	0.30
Securities Premium Account		
At the beginning of the year	3476.24	2562.27
Add: On issue of Shares	685.94	913.97
At the end of the year	4162.18	3476.24
Revaluation Reserve		
At the beginning of the year	52.75	53.05
Less: Depreciation	0.29	0.30
On disposal of Fixed Assets	0.05	...
At the end of the year	52.41	52.75
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
General Reserve		
At the beginning of the year	13806.31	13056.31
Add: Transfer from Surplus in Statement of Profit and Loss	880.00	750.00
At the end of the year	14686.31	13806.31
Foreign Currency Translation Reserve		
At the beginning of the year	8.44	—
Add: Exchange differences during the year	32.11	8.44
At the end of the year	40.55	8.44
Hedging Reserve		
At the beginning of the year	—	—
Add: Gain on mark to market of hedging instruments designated and effective as hedges of future cash flows (net of deferred tax of ₹ 10.47 Crores)	20.33	—
At the end of the year	20.33	—
Surplus in Statement of Profit and Loss		
At the beginning of the year	3788.10	1972.59
Add: Profit for the Year	8785.21	7418.39
Less: Transfer to General Reserve	880.00	750.00
Proposed Dividend [₹ 6.00 (2013 - ₹ 5.25) per share]	4771.91	4148.46
Income Tax on Proposed Dividend		
— Current Year	810.99	705.03
— Earlier year's provision no longer required	(28.68)	(0.61)
At the end of the year	6139.09	3788.10
TOTAL	25466.70	21497.67

Notes to the Financial Statements

3. Long-term borrowings

Unsecured

Term loans from Banks

Deferred payment liabilities

Sales tax deferment loans

TOTAL

As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
–	0.02
51.00	66.38
51.00	66.40

Term loans from Banks

Repayable in equated periodic instalments upto a 5 year period from the date of respective loan. These are repayable by 2014-15 and carry an interest of 11.25% p.a.

Sales tax deferment loans

Repayable after a period of 10 to 14 years from the end of the month of respective loans. These are repayable by 2025-26 and are interest free.

The scheduled maturity of the Long-term borrowings are summarised as under:

Borrowings repayable

In the first year (Note 8)

Current maturities of long-term debt

In the second year

In the third to fifth year

After five years

Long-term borrowings

Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
0.02	15.38	0.10	11.17
0.02	15.38	0.10	11.17
–	12.31	0.02	15.38
–	27.56	–	33.00
–	11.13	–	18.00
–	51.00	0.02	66.38

4. Deferred tax liabilities (Net)

Deferred tax liabilities

On fiscal allowances on fixed assets

On excise duty on closing stock

Other timing differences

Deferred tax assets

On employees' separation and retirement etc.

On provision for doubtful debts/advances

On State and Central taxes etc.

Other timing differences

TOTAL

1356.73	1208.99
365.21	490.57
19.52	6.69
1741.46	1706.25
67.29	48.89
14.60	12.01
318.60	408.83
44.01	32.80
444.50	502.53
1296.96	1203.72

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
5. Other Long term liabilities		
Trade payables	—	1.32
Sundry deposits	0.02	0.03
Others (Includes retention monies payable towards fixed assets)	5.07	1.76
TOTAL	5.09	3.11
6. Long-term provisions		
Provision for employee benefits		
Retirement benefits	65.97	61.31
Other benefits	44.03	64.31
TOTAL	110.00	125.62
7. Short-term borrowings		
Secured		
Loans from Banks		
Cash credit facilities	0.14	—
TOTAL	0.14	—

Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future.

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
8. Other current liabilities		
Current maturities of long-term debt (Note 3)	15.40	11.27
Interest accrued but not due on borrowings	0.02	0.03
Unpaid dividend *	113.28	95.92
Unpaid matured deposits and interest accrued thereon
Unpaid matured debentures / bonds and interest accrued thereon **	0.32	0.32
Sundry deposits	40.64	33.01
Other payables	3462.22	3388.07
TOTAL	3631.88	3528.62

* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory / Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of pending legal disputes, details in respect of which are on record with the Company, including an amount of ₹ 0.30 Crore (2013 - ₹ 0.30 Crore) maintained with a bank for which the Company has filed a suit.

Other payables comprise:

Payables for fixed assets	319.58	295.94
Statutory liabilities	2415.57	2161.70
Advances received from customers	521.64	685.23
Others	205.43	245.20
TOTAL	3462.22	3388.07

9. Short-term provisions		
Current portion of long-term employee benefits		
Retirement benefits	32.99	33.05
Other benefits	41.30	13.00
Current taxation (net of advance payment)	225.97	232.04
Fringe benefit tax (net of advance payment)	1.55	1.55
Proposed dividend	4771.91	4148.46
Income tax on proposed dividend	810.99	705.03
TOTAL	5884.71	5133.13

Notes to the Financial Statements

(₹ in Crores)

10. Fixed assets		Gross Block				Depreciation and Amortisation				Net Book Value			
Particulars	@ As at 31st March, 2012	Additions	Withdrawals and adjustments	@ As at 31st March, 2013	Additions	Withdrawals and adjustments	@ As at 31st March, 2014	Upto 31st March, 2012	For the year adjustments	On Withdrawals and adjustments	Upto 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Tangible assets													
Land													
Freehold	1064.45	3.76	15.96	1052.25	36.95	0.02	1089.18	–	–	–	–	1089.18	1052.25
Leasehold	210.23	2.62	(14.89)	227.74	15.05	1.44	241.35	10.54	0.92	–	13.24	216.28	199.69
Buildings													
Freehold	2567.79	994.68	0.24	3562.23	311.12	0.39	3872.96	420.64	68.64	0.19	569.94	3303.02	2147.15
Licensed Properties - Building Improvement	51.68	7.37	2.49	56.56	9.10	6.86	58.80	26.54	7.00	1.86	32.76	26.04	25.14
Plant and Equipment	9327.39	1706.73	108.95	10925.17	1276.84	107.26	12094.75	4058.57	629.87	87.59	5236.08	6858.67	5268.82
Furniture and Fixtures	472.86	182.93	11.44	644.35	48.20	9.03	683.52	271.71	39.51	9.78	336.69	346.83	201.15
Vehicles	87.36	20.55	10.58	97.33	19.40	11.06	105.67	23.34	8.82	5.29	31.20	74.47	64.02
Office Equipment	19.84	2.80	1.61	21.03	5.60	(0.77)	27.40	7.35	1.13	1.09	6.89	20.51	12.49
Railway Sidings etc.	1.72	–	–	1.72	1.38	1.13	1.97	0.97	0.08	–	0.11	1.86	0.75
TOTAL	13803.32	2921.44	136.38	16588.38	1723.64	136.42	18175.60	4819.66	755.97	105.80	6226.91	11118.55	8983.66
Capital work-in-progress	2269.26	2131.22	2927.68	1472.80	2479.57	1679.43	2272.94	–	–	–	–	1472.80	2269.26
TOTAL	16072.58	5052.66	3064.06	18061.18	4203.21	1815.85	20448.54	4819.66	755.97	105.80	6226.91	12591.35	11252.92
Intangible assets (acquired)													
Goodwill	4.90	–	–	4.90	–	–	4.90	4.90	–	–	4.90	–	–
Trademarks	6.04	–	–	6.04	–	–	6.04	5.98	0.03	–	6.02	0.03	0.06
Computer Software	257.10	15.15	0.18	272.07	13.81	0.54	285.34	162.55	33.92	0.18	230.35	54.99	94.55
Know-how, Business and Commercial Rights	72.99	–	–	72.99	–	–	72.99	52.07	5.94	–	63.95	9.04	20.92
	341.03	15.15	0.18	356.00	13.81	0.54	369.27	225.50	39.89	0.18	305.22	64.05	115.53
Intangible assets under development	7.49	22.52	15.02	14.99	21.50	13.70	22.79	–	–	–	–	14.99	7.49
TOTAL	348.52	37.67	15.20	370.99	35.31	14.24	392.06	225.50	39.89	0.18	305.22	86.84	123.02

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2014		As at 31st March, 2013		2013	
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Depreciation Charge for the year	Net Block
Buildings	9.12	5.21	3.91	0.43	9.12	4.34
Plant and Equipment	295.49	186.90	108.59	15.32	278.95	109.47
TOTAL	304.61	192.11	112.50	15.75	288.07	113.81

@ Original Cost / Professional Valuation as at 30th June, 1986

Land Freehold includes the provisional purchase price of ₹ 17.29 Crores (2013 - ₹ 17.29 Crores) in respect of land at Bengaluru. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 21 years time from the date of agreement.

Land Freehold includes certain lands at Mungur with Gross Block - ₹ 1.16 Crores (2013 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.

Buildings Freehold include ₹ 988.76 Crores (2013 - ₹ 891.73 Crores), aggregate cost of building on leasehold land situated at various locations.

Trademarks are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 72.99 Crores (2013 - ₹ 72.99 Crores):-

– ₹ 59.97 Crores (2013 - ₹ 59.97 Crores) acquired in earlier years and have been amortised over 10 years.

– ₹ 8.05 Crores (2013 - ₹ 8.05 Crores) acquired in earlier years and have been amortised over 5 years.

– ₹ 4.97 Crores (2013 - ₹ 4.97 Crores) acquired in earlier years and have been amortised over 4 years.

Depreciation for the year includes ₹ 0.29 Crore (2013 - ₹ 0.30 Crore) transferred from Revaluation Reserve in respect of revalued assets.

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise)				
Long Term				
A. TRADE INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
In Subsidiaries				
Gold Flake Corporation Limited 1,59,98,385 Equity Shares of ₹ 10.00 each, fully paid		16.00		16.00
Wills Corporation Limited 48,85,626 Equity Shares of ₹ 10.00 each, fully paid		4.88		4.88
Russell Credit Limited 59,74,54,177 Equity Shares of ₹ 10.00 each, fully paid 7,54,22,400 Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid		619.29 39.22		619.29 39.22
ITC Infotech India Limited 8,52,00,000 Equity Shares of ₹ 10.00 each, fully paid		85.14		85.14
Landbase India Limited 9,20,00,000 (2013 - 5,00,00,000) Equity Shares of ₹ 10.00 each, fully paid		100.57		58.57
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)		—		—
BFIL Finance Limited 2,00,00,000 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 20.00 Crores, fully provided)		—		—
Surya Nepal Private Limited 1,18,94,400 Ordinary Shares of Nepalese Rupees 100.00 each, fully paid		10.15		10.15
Srinivasa Resorts Limited 1,63,20,477 Equity Shares of ₹ 10.00 each, fully paid		18.53		18.53
Fortune Park Hotels Limited 4,50,008 Equity Shares of ₹ 10.00 each, fully paid		0.45		0.45
Bay Islands Hotels Limited 11,875 Equity Shares of ₹ 100.00 each, fully paid		0.12		0.12
King Maker Marketing, Inc. 204 Shares of Common Stock with no par value		10.23		10.23
Wimco Limited 18,50,81,193 (2013 - 18,24,76,340) Equity Shares of ₹ 1.00 each, fully paid		116.02		114.33
Technico Pty Limited 2,26,06,065 Ordinary Shares with no par value		108.72		108.72
WelcomHotels Lanka (Private) Limited 10,11,72,150 (2013 - 37,65,000) Shares with no par value		462.91		15.93
ITC Investments & Holdings Limited 45,00,000 Equity Shares of ₹ 10.00 each, fully paid		4.50		4.50
North East Nutrients Private Limited 1,14,00,000 Equity Shares of ₹ 10.00 each, fully paid		11.40		—
In Associates				
International Travel House Limited 2,87,600 Equity Shares of ₹ 10.00 each, fully paid	0.65		0.65	
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid	1.94		1.94	
In Joint Ventures				
Espirit Hotels Private Limited 4,65,09,200 Equity Shares of ₹ 10.00 each, fully paid		46.51		46.51
Maharaja Heritage Resorts Limited 90,000 Equity Shares of ₹ 100.00 each, fully paid		0.90		0.90
Logix Developers Private Limited 70,51,003 (2013 - 68,23,243) Equity Shares of ₹ 10.00 each, fully paid		38.08		36.84
Carried over	2.59	1693.62	2.59	1190.31

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	2.59	1693.62	2.59	1190.31
TRADE INVESTMENTS (Contd.)				
In Others				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid	0.01		0.01	
Hotel Leelaventure Limited 4,99,53,055 Equity Shares of ₹ 2.00 each, fully paid	184.23		184.23	
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid	392.29		392.29	
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		—		—
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
INVESTMENT IN PREFERENCE SHARES				
In Subsidiaries				
Wimco Limited 50,00,000 Zero Coupon Redeemable Preference Shares of ₹ 100.00 each, fully paid		50.00		50.00
Landbase India Limited 1,87,00,000 (2013 - 1,79,00,000) Redeemable Preference Shares of ₹ 100.00 each, fully paid		187.00		179.00
INVESTMENT IN DEBENTURES				
In Subsidiaries				
BFIL Finance Limited 15,00,000 - 18.5% Non - Convertible Debentures of ₹ 100.00 each, renewed at 0% (cost ₹ 15.00 Crores, fully provided)		—		—
B. OTHER INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.05		0.05	
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Woodlands Multispeciality Hospital Limited 13,050 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
Government Securities [cost ₹ 74000.00 (2013 - ₹ 76000.00)]		0.01		0.01
Aggregate amount of quoted and unquoted investments	579.17	1933.00	579.17	1421.69
Total Non-current investments		2512.17		2000.86

Aggregate market value of quoted investments ₹ 732.55 Crores (2013 - ₹ 620.47 Crores).

Aggregate provision for diminution in value ₹ 61.77 Crores (2013 - ₹ 61.77 Crores).

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
12. Long-term loans and advances				
Capital advances				
Unsecured, considered good		361.84		285.40
Security deposits				
Unsecured, considered good	670.08		593.35	
Doubtful	3.05		2.96	
	673.13		596.31	
Less: Provision for doubtful deposits	3.05	670.08	2.96	593.35
Loans and advances to Related Parties				
Security deposits - unsecured, considered good	52.82		50.37	
Loans and advances - secured, considered good	53.44		89.07	
Loans and advances - unsecured, considered good	—		391.09	
Loans and advances - doubtful	32.55		32.55	
	138.81		563.08	
Less: Provision for doubtful loans and advances	32.55	106.26	32.55	530.53
Other loans and advances (Comprise loans to employees, prepaid expenses, advances with statutory authorities etc.)				
Unsecured, considered good	341.84		318.69	
Doubtful	16.62		15.46	
	358.46		334.15	
Less: Provision for doubtful loans and advances	16.62	341.84	15.46	318.69
TOTAL		1480.02		1727.97

Loans and advances to Related Parties include loans to Directors and Company Secretary - Nil (2013 - ₹ 0.25 Crore) and deposit with Director - ₹ 0.05 Crore (2013 - Nil). Refer Note 33.

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value)				
Investment in Preference Shares				
ICICI Bank Limited 310 Non-Cumulative, Non-Participating, Non-Voting, Preference Shares of ₹ 10000000.00 each, fully paid		185.76		160.94
Investment in Bonds				
India Infrastructure Finance Company Limited Nil (2013 - 43,570) 6.85% Tax Free Bonds of ₹ 100000.00 each, fully paid		—		429.87
Nil (2013 - 3,000) 6.85% Tax Free Bonds of ₹ 100000.00 each, fully paid		—		29.57
Indian Railway Finance Corporation Limited 10,000 6.30% Tax Free Bonds of ₹ 100000.00 each, fully paid		94.95		93.46
10,00,000 7.18% Tax Free Bonds of ₹ 1000.00 each, fully paid	93.47		100.00	
20,00,000 8.23% Tax Free Bonds of ₹ 1000.00 each, fully paid	199.80		—	
4,35,012 8.00% Tax Free Bonds of ₹ 1000.00 each, fully paid	42.90		43.50	
Power Finance Corporation Limited 1,500 8.09% Tax Free Bonds of ₹ 100000.00 each, fully paid		14.87		15.67
1,000 8.01% Tax Free Bonds of ₹ 1000000.00 each, fully paid		98.46		—
1,00,000 8.20% Tax Free Bonds of ₹ 1000.00 each, fully paid	9.97		10.53	
12,95,560 8.18% Tax Free Bonds of ₹ 1000.00 each, fully paid	128.95		—	
National Housing Bank 1,03,785 Zero Coupon Bonds 2018 of ₹ 10000.00 each, fully paid		67.39		61.85
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Bhavishya Nirman Bonds 2017 of ₹ 20000.00 each, fully paid		6.05		5.55
1,41,270 Zero Coupon Bhavishya Nirman Bonds 2019 of ₹ 20000.00 each, fully paid		182.79		167.57
National Highways Authority of India 4,94,476 8.20% Tax Free Bonds of ₹ 1000.00 each, fully paid	49.31		49.45	
Rural Electrification Corporation Limited 30,00,000 7.22% Tax Free Bonds of ₹ 1000.00 each, fully paid	281.29		300.00	
1,000 8.01% Tax Free Bonds of ₹ 1000000.00 each, fully paid	98.47		—	
Investment in Mutual Funds				
Birla Sun Life Fixed Term Plan - Series GO (369 Days) - Growth Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Birla Sun Life Fixed Term Plan - Series GB - Growth (541 Days) 1,50,00,000 Units of ₹ 10.00 each	15.00		15.00	
Birla Sun Life Fixed Term Plan - Series GQ (367 Days) - Growth Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Birla Sun Life Fixed Term Plan - Series HY (368 Days) - Dividend - Payout 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Fixed Term Plan - Series IA (366 Days) - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Birla Sun Life Fixed Term Plan - Series JA (366 Days) - Dividend - Payout 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Birla Sun Life Fixed Term Plan - Series JE (368 Days) - Dividend - Payout 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Fixed Term Plan - Series JI (368 Days) - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Birla Sun Life Fixed Term Plan - Series JL (368 Days) - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Birla Sun Life Fixed Term Plan - Series JQ (368 Days) - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Fixed Term Plan - Series JT (367 Days) - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
Birla Sun Life Fixed Term Plan - Series JY (367 Days) - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Carried over	1159.16	650.27	538.48	964.48

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1159.16	650.27	538.48	964.48
Investment in Mutual Funds (Contd.)				
Birla Sun Life Fixed Term Plan - Series KC (368 Days) - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Birla Sun Life Fixed Term Plan - Series KK (367 Days) - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Birla Sun Life Fixed Term Plan - Series KM (368 Days) - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Floating Rate Long Term - Daily Dividend - Reinvestment 82,46,422 (2013 - 77,01,889) Units of ₹ 100.00 each		82.60		77.14
Birla Sun Life Interval Income Fund - Annual Plan VIII - Growth 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
Birla Sun Life Interval Income Fund - Annual Plan 2 - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Birla Sun Life Savings Fund - Daily Dividend - Reinvestment 27,58,038 (2013 - 25,74,992) Units of ₹ 100.00 each		27.61		25.78
Birla Sun Life Savings Fund - Growth 12,32,931 (2013 - 23,17,351) Units of ₹ 100.00 each		26.60		50.00
Birla Sun Life Short Term Fund - Dividend - Payout 5,05,02,285 (2013 - Nil) Units of ₹ 10.00 each		50.50		—
Birla Sun Life Fixed Term Plan - Series FU - Dividend (366 Days) - Payout Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Fixed Term Plan - Series FV - Growth (367 Days) Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
BNP Paribas Money Plus Fund - Growth Nil (2013 - 5,28,96,512) Units of ₹ 10.00 each		—		71.23
Canara Robeco Treasury Advantage Fund - Daily Dividend 2,21,444 (2013 - 2,07,239) Units of ₹ 1000.00 each		27.47		25.71
DSP BlackRock Fixed Maturity Plan - Series 93 - 12M - Dividend - Quarterly Payout 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
DSP BlackRock Fixed Maturity Plan - Series 103 - 12M - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
DSP BlackRock Fixed Maturity Plan - Series 81 - 12M - Dividend - Quarterly Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DSP BlackRock Fixed Maturity Plan - Series 82 - 12M - Dividend - Quarterly Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DSP BlackRock Fixed Maturity Plan - Series 84 - 12M - Growth Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
DSP BlackRock Money Manager Fund - Dividend Nil (2013 - 2,50,691) Units of ₹ 1000.00 each		—		25.07
DSP BlackRock Money Manager Fund - Growth Nil (2013 - 6,50,951) Units of ₹ 1000.00 each		—		100.00
DSP BlackRock Strategic Bond Fund - Institutional Plan - Daily Dividend Nil (2013 - 7,63,250) Units of ₹ 1000.00 each		—		76.86
DSP BlackRock Fixed Maturity Plan - Series 105 - 12M - Dividend - Quarterly Payout 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
DSP BlackRock Fixed Maturity Plan - Series 130 - 12M - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
DSP BlackRock Fixed Maturity Plan - Series 144 - 12M - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
DSP BlackRock Fixed Maturity Plan - Series 146 - 12M - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Carried over	1429.16	865.05	703.48	1416.27

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1429.16	865.05	703.48	1416.27
Investment in Mutual Funds (Contd.)				
DSP BlackRock Fixed Maturity Plan - Series 147 - 3M - Dividend - Quarterly Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
DSP BlackRock Fixed Maturity Plan - Series 149 - 12M - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
DSP BlackRock Fixed Maturity Plan - Series 151 - 12M - Growth 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
DSP BlackRock Fixed Maturity Plan - Series 43 - 12M - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DSP BlackRock Fixed Maturity Plan - Series 87 - 12M - Growth Nil (2013 - 4,00,00,000) Units of ₹ 10.00 each	—		40.00	
DSP BlackRock Fixed Maturity Plan - Series 37 - 13M - Dividend Payout Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DSP BlackRock Fixed Maturity Plan - Series 86 - 12M - Growth Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
DWS Fixed Maturity Plan - Series 18 - Quarterly Dividend Plan - Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DWS Fixed Maturity Plan - Series 24 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DWS Fixed Maturity Plan - Series 28 - Dividend - Payout 1,00,00,000 Units of ₹ 10.00 each	10.00		10.00	
DWS Fixed Maturity Plan - Series 31 - Dividend - Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
DWS Fixed Maturity Plan - Series 36 - Dividend - Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
DWS Fixed Maturity Plan - Series 39 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
DWS Fixed Maturity Plan Series 43 - Dividend - Payout 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
DWS Fixed Maturity Plan Series 48 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
DWS Fixed Maturity Plan Series 50 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
DWS Fixed Maturity Plan Series 51 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
DWS Interval Fund Annual Plan Series 1 - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
DWS Short Maturity Fund - Quarterly Dividend - Reinvestment Nil (2013 - 7,21,58,034) Units of ₹ 10.00 each	—		75.65	
DWS Treasury Fund - Investment - Quarterly Dividend - Reinvestment 7,60,07,335 (2013 - Nil) Units of ₹ 10.00 each		80.00	—	
DWS Ultra Short Term Fund - Institutional Plan - Dividend - Reinvestment Nil (2013 - 10,00,72,130) Units of ₹ 10.00 each	—		100.07	
HDFC Annual Interval Fund Series 1 - Plan A - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Cash Management Fund - Treasury Advantage Plan - Monthly Dividend 6,40,57,080 (2013 - Nil) Units of ₹ 10.00 each		65.00	—	
HDFC Fixed Maturity Plan 369D February 2014 (2) Series 29 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
HDFC Fixed Maturity Plan 369D June 2013 (1) Series 26 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
HDFC Fixed Maturity Plan 369D March 2014 (1) Series 29 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Carried over	1704.16	1010.05	1059.20	1416.27

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1704.16	1010.05	1059.20	1416.27
Investment in Mutual Funds (Contd.)				
HDFC Fixed Maturity Plan 370D February 2014 (1) Series 29 - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
HDFC Fixed Maturity Plan 370D July 2013 (3) Series 26 - Flexi 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
HDFC Fixed Maturity Plan 371D December 2012 (1) - Growth - Series 23 Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 371D February 2014 (1) Series 29 - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
HDFC Fixed Maturity Plan 371D February 2014 (2) Series 29 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
HDFC Fixed Maturity Plan 371D November 2012 (1) - Flexi - Series 23 Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 371D November 2012 (2) - Flexi - Series 23 Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 384D March 2013 (1) Series 23 - Flexi 3,00,00,000 Units of ₹ 10.00 each	30.00		30.00	
HDFC Fixed Maturity Plan 566D December 2012 (1) - Flexi - Series 24 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
HDFC Fixed Maturity Plan 372D January 2013 (2) Series 23 - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 372D January 2013 (3) Series 23 - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
HDFC Floating Rate Income Fund - Short Term Plan - Growth Nil (2013 - 7,76,03,057) Units of ₹ 10.00 each		—		150.22
HDFC Fixed Maturity Plan 371D July 2012 (1) - Quarterly Dividend - Series 22 Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
HDFC Fixed Maturity Plan 371D February 2013 (1) Series 23 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
HDFC Fixed Maturity Plan 372D February 2013 (1) Series 23 - Growth Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
HDFC Short Term Opportunities Fund - Dividend 20,09,13,064 (2013 - Nil) Units of ₹ 10.00 each		202.32		—
ICICI Prudential Banking and PSU Debt Fund - Quarterly Dividend 4,92,90,221 (2013 - Nil) Units of ₹ 10.00 each		50.00		—
ICICI Prudential Blended Plan B - Quarterly Dividend Option - I 3,86,97,174 (2013 - Nil) Units of ₹ 10.00 each		40.30		—
ICICI Prudential Dynamic Bond Fund - Monthly Dividend 4,83,81,900 (2013 - Nil) Units of ₹ 10.00 each		50.22		—
ICICI Prudential Fixed Maturity Plan Series 64 - 367 Days Plan J Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 502 Days Plan C Dividend 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 505 Days Plan J Dividend 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
ICICI Prudential Fixed Maturity Plan Series 66 - 366 Days Plan F Cumulative Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan E Cumulative 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan K Dividend 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
ICICI Prudential Fixed Maturity Plan Series 70 - 368 Days Plan K Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 70 - 372 Days Plan L Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Carried over	2084.16	1352.89	1404.20	1566.49

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2084.16	1352.89	1404.20	1566.49
Investment in Mutual Funds (Contd.)				
ICICI Prudential Fixed Maturity Plan Series 71 - 366 Days Plan C Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 367 Days Plan G Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 368 Days Plan K Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 369 Days Plan E Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 371 Days Plan M Cumulative 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan C Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan K Cumulative 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan M Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 368 Days Plan D Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Fixed Maturity Plan Series 73 - 366 Days Plan A Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan D Cumulative 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
ICICI Prudential Fixed Maturity Plan Series 65 - 367 Days Plan H Dividend Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
ICICI Prudential Fixed Maturity Plan Series 66 - 368 Days Plan B Cumulative Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
ICICI Prudential Fixed Maturity Plan Series 62 - 396 Days Plan F Dividend Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 366 Days Plan I Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 367 Days Plan B Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Interval Fund Annual Interval Plan IV - Growth 99,54,739 (2013 - 1,18,66,995) Units of ₹ 10.00 each	15.00		15.00	
ICICI Prudential Interval Fund II Quarterly Interval Plan F - Dividend 1,99,81,417 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Interval Fund IV Quarterly Interval Plan B - Dividend 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Long Term - Quarterly Dividend Nil (2013 - 5,08,90,196) Units of ₹ 10.00 each		—		50.92
ICICI Prudential Ultra Short Term - Quarterly Dividend 19,40,59,829 (2013 - Nil) Units of ₹ 10.00 each		200.00		—
ICICI Prudential Ultra Short Term - Growth Nil (2013 - 6,56,07,614) Units of ₹ 10.00 each		—		75.00
ICICI Prudential Ultra Short Term Plan - Quarterly Dividend Nil (2013 - 2,51,04,051) Units of ₹ 10.00 each		—		25.10
IDFC Dynamic Bond Fund - Annual Dividend 4,64,29,475 (2013 - Nil) Units of ₹ 10.00 each		50.06		—
IDFC Fixed Maturity Plan 366 Days Series 74 - Periodic - Dividend Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Carried over	2504.16	1602.95	1579.20	1717.51

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2504.16	1602.95	1579.20	1717.51
Investment in Mutual Funds (Contd.)				
IDFC Fixed Term Plan Series 24 - Periodic - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
IDFC Fixed Term Plan Series 67 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
IDFC Fixed Term Plan Series 69 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
IDFC Money Manager Fund - Investment Plan - Periodic Dividend 1,02,00,441 (2013 - 4,97,54,525) Units of ₹ 10.00 each		10.25		50.00
JPMorgan India Short Term Income Fund - Weekly Dividend Reinvestment Nil (2013 - 7,68,62,273) Units of ₹ 10.00 each		—		77.02
JPMorgan India Treasury Fund Super Institutional Growth Nil (2013 - 9,05,73,539) Units of ₹ 10.00 each	—		116.24	
JPMorgan India Treasury Fund Super Institutional Dividend Payout Nil (2013 - 5,00,77,879) Units of ₹ 10.00 each	—		50.08	
JPMorgan India Fixed Maturity Plan Series 12 - Dividend 6,00,00,000 Units of ₹ 10.00 each	60.00		60.00	
JPMorgan India Fixed Maturity Plan Series 13 - Dividend 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
JPMorgan India Fixed Maturity Plan Series 21 - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
JPMorgan India Fixed Maturity Plan Series 31 - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
JPMorgan India Fixed Maturity Plan Series 6 Dividend Payout Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
Kotak Bond Scheme Plan A - Quarterly Dividend 2,30,90,646 (2013 - Nil) Units of ₹ 10.00 each		23.96		—
Kotak Bond (Short Term) - Monthly Dividend Nil (2013 - 12,32,02,476) Units of ₹ 10.00 each		—		125.00
Kotak Bond (Short Term) - Half - Yearly Dividend 2,49,65,867 (2013 - Nil) Units of ₹ 10.00 each		24.98		—
Kotak Fixed Maturity Plan Series 104 - Dividend 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 106 - Dividend 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Kotak Fixed Maturity Plan Series 107 - Dividend 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Kotak Fixed Maturity Plan Series 119 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 136 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Kotak Fixed Maturity Plan Series 137 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 138 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 139 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 143 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 144 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 99 - Dividend 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
Kotak Flexi Debt Scheme Plan A - Growth Nil (2013 - 5,37,02,616) Units of ₹ 10.00 each	—		75.00	
Carried over	2919.16	1662.14	2000.52	1969.53

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2919.16	1662.14	2000.52	1969.53
Investment in Mutual Funds (Contd.)				
Kotak Flexi Debt Plan A - Quarterly Dividend Nil (2013 - 2,51,23,350) Units of ₹ 10.00 each	—		25.14	
Kotak Floater Long Term - Growth Nil (2013 - 10,45,70,180) Units of ₹ 10.00 each	—		150.00	
Kotak Fixed Maturity Plan Series 94 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
L&T Fixed Maturity Plan Series 9 - Plan D - Dividend Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Reliance Dynamic Bond Fund - Quarterly Dividend Plan Reinvestment 2,40,51,908 (2013 - Nil) Units of ₹ 10.00 each		24.51		—
Reliance Fixed Horizon Fund - XXII - Series 14 - Dividend Plan Dividend Payout Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Reliance Fixed Horizon Fund - XXII - Series 21 - Dividend Plan Dividend Payout 2,00,00,000 Units of ₹ 10.00 each	20.00		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 1 - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Reliance Fixed Horizon Fund - XXII - Series 10 - Dividend Plan Dividend Payout Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Reliance Fixed Horizon Fund - XXIV - Series 18 - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Reliance Fixed Horizon Fund - XXIV - Series 3 - Dividend Plan Dividend Payout 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
Reliance Fixed Horizon Fund - XXV - Series 14 Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Reliance Fixed Horizon Fund - XXV - Series 18 - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Reliance Fixed Horizon Fund - XXV - Series 2 - Dividend Plan Dividend Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXV - Series 4 - Dividend Plan Dividend Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXIII - Series 6 - Growth Plan Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
Reliance Floating Rate Fund - Short Term Plan - Dividend Plan Dividend Payout 15,25,73,567 (2013 - Nil) Units of ₹ 10.00 each		152.57		—
Reliance Floating Rate Fund - Short Term Plan - Quarterly Dividend Plan Reinvestment Nil (2013 - 5,06,22,289) Units of ₹ 10.00 each		—		51.32
Reliance Interval Fund - Quarterly Plan - Series I - Dividend Plan Dividend Payout 3,99,15,379 (2013 - Nil) Units of ₹ 10.00 each	40.00		—	
Reliance Medium Term Fund - Quarterly Dividend Plan Dividend Reinvestment Nil (2013 - 4,80,38,202) Units of ₹ 10.00 each		—		52.84
Reliance Medium Term Fund - Dividend Plan Dividend Payout 5,58,13,715 (2013 - Nil) Units of ₹ 10.00 each		55.81		—
Reliance Money Manager Fund - Growth Plan Growth Option Nil (2013 - 2,18,184) Units of ₹ 1000.00 each		—		26.66
Reliance Quarterly Interval Fund - Series II - Dividend Plan Dividend Payout 2,99,58,657 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Reliance Short Term Fund - Dividend Plan Dividend Payout 5,09,50,204 (2013 - Nil) Units of ₹ 10.00 each		51.45		—
Reliance Short Term Fund - Quarterly Dividend Plan Dividend Reinvestment Nil (2013 - 3,78,70,452) Units of ₹ 10.00 each		—		52.25
Carried over	3184.16	1946.48	2265.66	2152.60

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	3184.16	1946.48	2265.66	2152.60
Investment in Mutual Funds (Contd.)				
Reliance Yearly Interval Fund - Series 1 - Growth Plan 9,19,23,593 (2013 - Nil) Units of ₹ 10.00 each	100.00		—	
Reliance Yearly Interval Fund - Series 2 - Growth Plan 9,16,64,070 (2013 - Nil) Units of ₹ 10.00 each	100.00		—	
Reliance Yearly Interval Fund - Series 2 - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
Reliance Yearly Interval Fund - Series 3 - Growth Plan Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Reliance Yearly Interval Fund - Series 8 - Dividend Plan Dividend Payout 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
SBI Debt Fund Series - 366 Days 30 - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
SBI Debt Fund Series - 366 Days 31 - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
SBI Debt Fund Series - 366 Days 47 - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
SBI Debt Fund Series - 366 Days 52 - Dividend 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
SBI Debt Fund Series - 366 Days 20 Dividend Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
SBI Debt Fund Series - 366 Days 22 - Growth Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
SBI Debt Fund Series - 366 Days 7 - Dividend Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
SBI Debt Fund Series - 366 Days 18 - Dividend Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
SBI Short Term Debt Fund - Fortnightly Dividend 4,98,78,389 (2013 - Nil) Units of ₹ 10.00 each		50.97		—
Sundaram Fixed Term Plan DC 15 Months Dividend Payout 1,50,00,000 Units of ₹ 10.00 each	15.00		15.00	
Sundaram Fixed Term Plan EW 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan EY 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan FB 369 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan FF 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 42 Scheme I - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 45 Scheme C - Dividend 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
TATA Fixed Maturity Plan Series 45 Scheme D - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
TATA Fixed Maturity Plan Series 45 Scheme E - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 46 Scheme A - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
TATA Fixed Maturity Plan Series 46 Scheme B - Dividend 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 46 Scheme I - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Carried over	3729.16	1997.45	2470.66	2152.60

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	3729.16	1997.45	2470.66	2152.60
Investment in Mutual Funds (Contd.)				
TATA Fixed Maturity Plan Series 46 Scheme L - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
TATA Fixed Maturity Plan Series 46 Scheme P - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
TATA Fixed Maturity Plan Series 46 Scheme S - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 42 Scheme A - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
UTI - Fixed Income Interval Fund - Annual Interval Plan Series - II Growth Plan 60,59,504 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
UTI - Fixed Income Interval Fund - IV - Annual Interval Plan - Growth 61,89,268 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
UTI - Floating Rate Fund - Short Term Plan - Growth 10,52,280 (2013 - Nil) Units of ₹ 1000.00 each		209.00		—
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option Nil (2013 - 2,48,309) Units of ₹ 1000.00 each		—		25.00
UTI - Short Term Income Fund - Institutional Option - Flexi Dividend Payout 5,06,50,712 (2013 - Nil) Units of ₹ 10.00 each		50.65		—
UTI Fixed Term Income Fund Series XIII - III (549 Days) - Quarterly Dividend Payout 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
UTI Fixed Term Income Fund Series XIV - II (366 Days) - Growth Plan Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
UTI Fixed Term Income Fund Series XIV - V (366 Days) - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XIV - VII (367 Days) - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
UTI Fixed Term Income Fund Series XV - VI (368 Days) - Growth Plan 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
UTI Fixed Term Income Fund Series XV - VII (369 Days) - Growth Plan 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
UTI Fixed Term Income Fund Series XVI - VII (366 Days) - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
UTI Fixed Term Income Fund Series XVII - I (369 Days) - Flexi Dividend Payout 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
UTI Fixed Term Income Fund Series XVII - II (369 Days) - Flexi Dividend Payout 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XVII - X (367 Days) - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
UTI Fixed Term Income Fund Series XVII - XIII (369 Days) - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XVII - XVI (367 Days) - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XIII - I (368 Days) - Quarterly Dividend Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
UTI Fixed Term Income Fund Series XIV - I (366 Days) - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
UTI - Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment Nil (2013 - 18,68,048) Units of ₹ 1000.00 each		—		201.17
Aggregate amount of quoted and unquoted investments	4054.16	2257.10	2680.66	2378.77
Total Current investments		6311.26		5059.43

Aggregate market value of quoted investments ₹ 4207.64 Crores (2013 - ₹ 2805.40 Crores).
Aggregate excess of cost over fair value ₹ 177.96 Crores (2013 - ₹ 179.44 Crores).

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
14. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	4560.54	3570.96
Work-in-progress	142.29	155.02
Finished goods (manufactured)	2000.28	2300.15
Stock-in-Trade (goods purchased for resale)	297.73	226.64
Stores and Spares	283.41	271.88
Intermediates - Tissue paper and Paperboards	75.29	75.55
TOTAL	7359.54	6600.20
The above includes goods in transit as under:		
Raw materials (including packing materials)	108.54	58.74
Stock-in-Trade (goods purchased for resale)	1.09	4.54
Stores and Spares	1.01	3.77
TOTAL	110.64	67.05
15. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1.26	1.35
Unsecured, considered good	31.44	23.96
Doubtful	34.60	28.68
	67.30	53.99
Less: Provision for doubtful receivables	34.60	28.68
	32.70	25.31
Others		
Secured, considered good	23.81	20.92
Unsecured, considered good	2108.85	1117.11
Doubtful	1.09	0.08
	2133.75	1138.11
Less: Provision for doubtful receivables	1.09	0.08
	2132.66	1138.03
TOTAL	2165.36	1163.34

Notes to the Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
16. Cash and bank balances				
Cash and cash equivalents [@]				
Balances with Banks				
Current accounts	104.68		94.14	
Deposit accounts	—		51.00	
Cheques, drafts on hand	13.45		7.25	
Cash on hand	<u>2.93</u>	121.06	<u>3.50</u>	155.89
Other bank balances				
Earmarked balances	113.67		96.31	
In deposit accounts *	<u>3054.64</u>	<u>3168.31</u>	<u>3362.80</u>	<u>3459.11</u>
TOTAL		<u>3289.37</u>		<u>3615.00</u>

[@] Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

* Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 400.00 Crores (2013 - ₹ 300.00 Crores).

17. Short-term loans and advances				
Unsecured, considered good unless otherwise stated				
Loans and advances to Related Parties				
Security deposits	0.58		2.96	
Loans and advances				
Secured, considered good	44.53		17.81	
Unsecured, considered good	<u>13.87</u>	58.98	<u>23.46</u>	44.23
Others				
With Statutory authorities		491.54		258.84
Commercial advances and deposits				
Secured, considered good	4.50		4.50	
Unsecured, considered good	<u>150.26</u>	154.76	<u>157.00</u>	161.50
Other Loans and Advances (Employees, unexpired expenses etc.)		<u>78.23</u>		<u>47.57</u>
TOTAL		<u>783.51</u>		<u>512.14</u>

Loans and advances to Related Parties include loans to Directors and Company Secretary - Nil (2013 - ₹ 0.02 Crore) and deposit with Director - Nil (2013 - ₹ 0.04 Crore). Refer Note 33.

18. Other current assets				
Interest accrued on loans, deposits etc.	69.32		77.79	
Interest accrued on investments	33.06		19.96	
Deposits with financial institutions	750.00		425.00	
Others *				
Unsecured, considered good	167.31		118.61	
Doubtful	<u>0.81</u>		<u>0.42</u>	
	168.12		119.03	
Less: Provision for doubtful assets	<u>0.81</u>	167.31	<u>0.42</u>	118.61
TOTAL		<u>1019.69</u>		<u>641.36</u>

* Others comprise receivables on account of export incentives, claims, interest, rentals, other receivables etc.

Notes to the Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
19. Gross income		
Gross Revenue from sale of products and services*	46712.62	41809.82
Other operating revenue	356.04	295.69
Other income	1107.14	938.70
TOTAL	48175.80	43044.21

* Net of sales returns and damaged stocks.

20. Gross Revenue from sale of products and services *
FMCG
– Cigarettes etc.
– Branded Packaged Food Products
– Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)
Hotels
– Hotels Sales/Income from Hotel Services
Agri Business
– Unmanufactured Tobacco
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua etc.)
Paperboards, Paper and Packaging
– Paperboards and Paper
– Printed Materials
TOTAL

	29076.48	25986.30
	5717.32	4720.58
	2394.66	2284.15
	1121.45	1062.08
	1780.97	1390.63
	3349.12	3632.38
	2843.97	2370.72
	428.65	362.98
TOTAL	46712.62	41809.82

* Net of sales returns and damaged stocks.

21. Revenue from operations
Sale of products
Sale of services
Gross Revenue from sale of products and services*
Other operating revenue
Less:
Excise duty attributable to products sold
TOTAL

	45591.17	40747.74
	1121.45	1062.08
	46712.62	41809.82
	356.04	295.69
	47068.66	42105.51
	13830.06	12204.24
TOTAL	33238.60	29901.27

* Net of sales returns and damaged stocks.

Notes to the Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
22. Other income		
Interest income	412.77	355.48
Dividend income		
– Long-term investments		
– Subsidiary companies	208.81	112.70
– Other long-term investments	8.46	11.26
	217.27	123.96
– Current investments	140.15	186.54
	357.42	310.50
Gain on sale of long-term investments	–	121.62
Net gain on sale of current investments	329.44	146.02
Other non-operating income	7.51	5.08
TOTAL	1107.14	938.70
Interest income comprises interest from:		
a) Deposits with Banks/Financial Institutions	261.91	227.40
b) Current investments	108.24	72.14
c) Others (from customers, statutory authorities etc.)	42.62	55.94
23. Cost of materials consumed		
Unmanufactured Tobacco	1897.49	1734.32
Board, Film and Laminates	540.31	516.81
Filter Rods	349.95	326.94
Wheat	1420.15	968.38
Edible Oils	359.13	346.08
Sugar	266.27	306.47
Wheat Flour (Maida)	344.04	302.05
Waste Paper and Pulp	779.67	650.41
Chemicals and Fragrances	573.54	516.21
Hardwood and Bamboo	688.46	470.55
Coffee	413.97	439.73
Others (Hotel Consumables, Inks and Solvents, Skimmed Milk Powder, Packing Materials etc.)	2630.30	2358.26
TOTAL	10263.28	8936.21
24. Purchases of Stock-in-Trade		
Soya Seeds	404.33	970.22
Wheat	1276.28	1263.58
Safety Matches	249.72	260.06
Coffee	439.63	242.44
Others (Spices, Apparel, Agarbattis, Education and Stationery Products etc.)	651.51	639.62
TOTAL	3021.47	3375.92

Notes to the Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)		
25. Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and Intermediates						
Finished goods (manufactured)						
Opening stock	2300.15			1429.22		
Closing stock	<u>2000.28</u>	299.87		<u>2300.15</u>	(870.93)	
Work-in-progress						
Opening stock	155.02			100.89		
Closing stock	<u>142.29</u>	12.73		<u>155.02</u>	(54.13)	
Stock-in-Trade (goods purchased for resale)						
Opening stock	226.64			211.75		
Closing stock	<u>297.73</u>	(71.09)		<u>226.64</u>	(14.89)	
Intermediates - Tissue paper and Paperboards						
Opening stock	75.55			79.67		
Closing stock	<u>75.29</u>	0.26	241.77	<u>75.55</u>	4.12	(935.83)
Excise duties on increase/(decrease) of finished goods			(370.18)			689.48
TOTAL			<u>(128.41)</u>			<u>(246.35)</u>

26. Employee benefits expense						
Salaries and wages		1355.14			1132.75	
Contribution to Provident and other funds		115.21			126.72	
Staff welfare expenses		161.74			147.89	
		<u>1632.09</u>			<u>1407.36</u>	
Less: Recoveries made/reimbursements received		23.72			20.35	
TOTAL		<u>1608.37</u>			<u>1387.01</u>	

27. Finance costs						
Interest expense [Refer Note 31 (xvii)]		2.95			65.97	
Applicable net loss on foreign currency transactions and translations		—			20.50	
TOTAL		<u>2.95</u>			<u>86.47</u>	

Notes to the Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
28. Other expenses		
Power and fuel	613.19	550.11
Consumption of stores and spare parts	237.29	219.31
Contract processing charges	717.58	585.89
Rent [Refer Note 31(vi)]	256.17	247.12
Rates and taxes [Refer Note 31(xvii)]	221.10	417.22
Insurance	39.96	30.88
Repairs		
– Buildings	47.57	46.96
– Machinery	155.12	136.33
– Others	42.30	33.21
Maintenance and upkeep	130.62	135.32
Outward freight and handling charges	769.19	876.11
Warehousing charges	93.15	62.20
Advertising/Sales promotion	795.89	806.65
Market research	57.20	65.06
Design and product development	37.64	25.28
Hotel reservation / Marketing expenses	28.08	27.92
Retail accessories	154.75	182.46
Brokerage and discount - sales	10.25	8.64
Commission to selling agents	36.16	34.00
Doubtful and bad debts	11.17	7.49
Doubtful and bad advances, loans and deposits	0.11	0.30
Bank and credit card charges	20.68	19.44
Information technology services	184.20	166.12
Travelling and conveyance	218.87	204.24
Training and development	19.61	22.71
Legal expenses	16.51	12.79
Consultancy/Professional fees	85.84	89.14
Postage, telephone etc.	25.33	25.07
Printing and stationery	16.47	14.91
Net loss/(gain) on foreign currency transactions and translations	78.22	(2.60)
Excess of carrying cost over fair value of current investments - Net	3.31	–
Excess of cost of current investments over fair value, reversed - Net	–	(25.80)
Loss on sale of fixed assets - Net	12.95	23.73
Loss on sale of stores and spare parts - Net	0.86	1.88
Miscellaneous expenses	881.71	770.88
TOTAL	6019.05	5820.97
Miscellaneous expenses include:		
(1) Auditors' remuneration and expenses *		
Audit fees	1.95	1.65
Tax audit fees	0.48	0.40
Fees for limited review	0.80	0.72
Fees for other services #	1.39	0.85
Reimbursement of expenses	0.44	0.42
(2) Cost auditors' fees	0.23	0.15

* Excluding taxes.

Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners ₹ 0.01 Crore (2013 - ₹ 0.01 Crore).

Notes to the Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
29. Current tax		
Income tax for the year	3936.64	2989.06
Adjustments / (credits) related to previous years - Net	(145.51)	(54.27)
TOTAL	3791.13	2934.79

30. Deferred tax		
Deferred tax for the year	25.84	289.80
Adjustments / (credits) related to previous years - Net	56.93	41.20
TOTAL	82.77	331.00

31. Additional Notes to the Financial Statements

	2014	2013
(i) Earnings per share		
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	8785.21	7418.39
(b) Weighted average number of Ordinary shares outstanding	7,92,13,66,964	7,85,30,72,892
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	9,40,71,139	10,20,78,850
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b)+(c)]	8,01,54,38,103	7,95,51,51,742
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 11.09	₹ 9.45
– Diluted [(a)/(d)]	₹ 10.96	₹ 9.33

(ii) Contingent liabilities and commitments:

(a) Contingent liabilities

Claims against the Company not acknowledged as debts ₹ 361.50 Crores (2013 - ₹ 466.54 Crores). These comprise:

- Excise duty, sales taxes and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 254.99 Crores (2013 - ₹ 377.74 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 63.62 Crores (2013 - ₹ 45.16 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 37.36 Crores (2013 - ₹ 39.07 Crores).
- Other matters ₹ 5.53 Crores (2013 - ₹ 4.57 Crores).

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 1528.10 Crores (2013 - ₹ 1656.29 Crores).
- Uncalled liability on shares partly paid ₹ 26.40 Crores (2013 - ₹ 26.40 Crores).

(iii) Research and Development expenses for the year amount to ₹ 117.18 Crores (2013 - ₹ 109.22 Crores).

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(iv) (a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
I	Components of Employer Expense						
	1 Current Service Cost	40.49	23.34	4.47	39.17	20.43	4.23
	2 Interest Cost	50.30	20.28	6.62	41.45	16.07	4.91
	3 Expected Return on Plan Assets	(53.30)	(20.34)	—	(44.84)	(17.82)	—
	4 Curtailment Cost/(Credit)	—	—	—	—	—	—
	5 Settlement Cost/(Credit)	—	—	—	—	—	—
	6 Past Service Cost	—	—	—	—	—	—
	7 Actuarial Losses/(Gains)	(7.96)	(4.01)	2.56	13.92	6.93	7.50
	8 Total expense recognised in the Statement of Profit and Loss	29.53	19.27	13.65	49.70	25.61	16.64
The Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 26.							
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
II	Actual Returns	36.97	17.99	—	59.77	21.91	—
III	Net Asset/(Liability) recognised in Balance Sheet						
	1 Present Value of Defined Benefit Obligation	571.88	249.86	76.09	612.41	237.87	69.86
	2 Fair Value of Plan Assets	583.78	226.99	—	600.65	225.13	—
	3 Status [Surplus/(Deficit)]	11.90	(22.87)	(76.09)	(11.76)	(12.74)	(69.86)
	4 Unrecognised Past Service Cost	—	—	—	—	—	—
	5 Net Asset / (Liability) recognised in Balance Sheet	11.90	(22.87)	(76.09)	(11.76)	(12.74)	(69.86)
	— Current	11.90	(22.87)	(10.12)	(11.76)	(12.74)	(8.55)
	— Non-current	—	—	(65.97)	—	—	(61.31)
IV	Change in Defined Benefit Obligation (DBO)						
	1 Present Value of DBO at the beginning of the year	612.41	237.87	69.86	533.19	211.49	58.62
	2 Current Service Cost	40.49	23.34	4.47	39.17	20.43	4.23
	3 Interest Cost	50.30	20.28	6.62	41.45	16.07	4.91
	4 Curtailment Cost/(Credit)	—	—	—	—	—	—
	5 Settlement Cost/(Credit)	—	—	—	—	—	—
	6 Plan Amendments	—	—	—	—	—	—
	7 Acquisitions	—	—	—	—	—	—
	8 Actuarial (Gains)/Losses	(24.29)	(6.36)	2.56	28.85	11.02	7.50
	9 Benefits Paid	(107.03)	(25.27)	(7.42)	(30.25)	(21.14)	(5.40)
	10 Present Value of DBO at the end of the year	571.88	249.86	76.09	612.41	237.87	69.86
V	Best Estimate of Employer's Expected Contribution for the next year	67.85	30.27	—	57.64	40.89	—

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

			For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)											
			Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment									
VI	Change in Fair Value of Assets																
	1	Plan Assets at the beginning of the year	600.65	225.13	—	520.47	220.29	—									
	2	Acquisition Adjustment	—	—	—	—	—	—									
	3	Expected Return on Plan Assets	53.30	20.34	—	44.84	17.82	—									
	4	Actuarial Gains/(Losses)	(16.33)	(2.35)	—	14.93	4.09	—									
	5	Actual Company Contributions	53.19	9.14	—	50.66	4.07	—									
	6	Benefits Paid	(107.03)	(25.27)	—	(30.25)	(21.14)	—									
	7	Plan Assets at the end of the year	583.78	226.99	—	600.65	225.13	—									
VII	Actuarial Assumptions																
	1	Discount Rate (%)	9.00	9.00	9.00	8.00	8.00	8.00									
	2	Expected Return on Plan Assets (%)	9.00	9.00	—	8.00	8.00	—									
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.																	
VIII	Major Category of Plan Assets as a % of the Total Plan Assets		As at 31st March, 2014			As at 31st March, 2013											
	1	Government Securities/Special Deposit with RBI	33.02%			28.84%											
	2	High Quality Corporate Bonds	26.60%			25.32%											
	3	Insurer Managed Funds*	29.26%			35.82%											
	4	Mutual Funds	2.25%			1.99%											
	5	Cash and Cash Equivalents	4.86%			5.03%											
	6	Term Deposits	3.65%			2.69%											
	7	Equity	0.36%			0.31%											
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.																	
IX	Basis used to determine the Expected Rate of Return on Plan Assets																
The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.																	
		For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)			For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)			For the year ended 31st March, 2010 (₹ in Crores)			
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	
X	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)																
	1	Present Value of Defined Benefit Obligation	571.88	249.86	76.09	612.41	237.87	69.86	533.19	211.49	58.62	482.51	181.13	54.59	425.44	159.40	45.21
	2	Fair Value of Plan Assets	583.78	226.99	—	600.65	225.13	—	520.47	220.29	—	479.85	207.08	—	401.35	184.32	—
	3	Status [Surplus/(Deficit)]	11.90	(22.87)	(76.09)	(11.76)	(12.74)	(69.86)	(12.72)	8.80	(58.62)	(2.66)	25.95	(54.59)	(24.09)	24.92	(45.21)
	4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(4.22)	(0.09)	—	13.52	3.54	—	(4.14)	(0.43)	—	4.99	2.55	—	7.34	2.32	—
	5	Experience Adjustment of obligation [(Gain)/Loss]	(20.35)	4.85	3.24	(34.52)	1.45	2.31	(18.06)	6.48	0.59	42.85	20.19	8.96	(12.56)	2.37	3.64

(b) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 26: ₹ 66.41 Crores (2013 - ₹ 51.41 Crores).

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(v) Micro, Small and Medium scale business entities:

A sum of ₹ 23.25 Crores is payable to Micro and Small Enterprises as at 31st March, 2014 (2013 - ₹ 15.12 Crores). There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(vi) The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as "Rent" under Note 28.

With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
Not later than one year	17.89	13.56
Later than one year and not later than five years	11.32	12.11
Later than five years	1.47	1.47

(vii) Interests in Joint Ventures:

The Company's interest, as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is:

Name	Country of Incorporation	Percentage of ownership interests as at 31st March, 2014	Percentage of ownership interests as at 31st March, 2013
Maharaja Heritage Resorts Limited	India	25%	25%
Espirit Hotels Private Limited	India	26%	26%
Logix Developers Private Limited	India	26%	26%

The Company's interest in these Joint Ventures is reported as Long Term investments (Note 11) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are:

		As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
I	ASSETS		
	Non-current assets		
1	Fixed assets	91.16	87.48
	a) Tangible assets	44.94	44.94
	b) Intangible assets	0.01	0.01
	c) Capital work-in-progress - Tangible assets	46.21	42.53
2	Deferred tax assets (Net)	0.32	0.34
3	Long-term loans and advances	0.33	0.26
	Current assets		
4	Current investments	0.19	0.19
5	Trade receivables	0.22	0.24
6	Cash and cash equivalents	0.14	0.12
7	Short-term loans and advances	0.01	0.02
8	Other current assets	—	...

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

		As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
II	LIABILITIES		
	Non-current liabilities		
1	Long-term borrowings	23.92	22.52
2	Long-term provisions	0.01	0.01
	Current liabilities		
3	Trade payables	0.88	1.00
4	Other current liabilities	5.50	4.31
		For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
III	INCOME		
1	Net Revenue from sale of products and services	0.81	0.80
2	Other operating revenue	0.04	0.09
3	Other income	0.03	0.28
IV	EXPENSES		
1	Employee benefits expense	0.55	0.50
2	Depreciation and amortisation expense	0.01	0.01
3	Other expenses	0.28	0.30
4	Tax expense	0.03	0.06
		As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
V	OTHER MATTERS		
1	Capital Commitments	8.89	8.77

(viii) Derivative Instruments:

The Company uses forward exchange contracts and currency options to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:

a) Forward exchange contracts outstanding as at year end:

(in Million)

		As at 31st March, 2014		As at 31st March, 2013	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	48.10	192.50	135.06	159.55
Euro	US Dollar	28.60	—	75.54	—
CHF	US Dollar	0.40	—	2.24	—
GBP	US Dollar	—	2.20	—	—
SEK	US Dollar	—	—	4.00	—
JPY	US Dollar	312.36	—	215.65	—

b) Currency option contracts outstanding as at year end:

(in Million)

		As at 31st March, 2014		As at 31st March, 2013	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	10.00	15.00	—	16.00
JPY	US Dollar	—	—	280.00	—

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

c) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at year end: (in Million)

Currency	Cross Currency	As at 31st March, 2014			As at 31st March, 2013		
		Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupee	62.76	62.70	0.06	33.22	35.92	(2.70)
Euro	US Dollar	2.91	2.46	0.45	2.96	2.88	0.08
GBP	US Dollar	0.38	0.87	(0.49)	1.75	1.87	(0.12)
JPY	US Dollar	5.46	–	5.46	–	–	–
SEK	US Dollar	0.77	–	0.77	0.74	–	0.74
CHF	US Dollar	0.11	–	0.11	–	–	–
SGD	US Dollar	0.50	–	0.50	0.01	–	0.01
CAD	US Dollar	–	0.11	(0.11)	0.08	0.19	(0.11)
AUD	US Dollar	–	0.10	(0.10)	0.08	–	0.08

Further, loan of Nil (2013 - USD 72 million) given to wholly owned subsidiary, WelcomHotels Lanka (Private) Limited, treated as a Net Investment in a Non-integral foreign operation, is unhedged.

* Figures in brackets indicate open exports. Figures without brackets indicate open imports.

- (ix) The Employee Stock Option Scheme section in the Report on Corporate Governance and the disclosure in respect of Employees Stock Options which are outlined in this year's Annexure to the Report of the Directors are treated as an annexure to these accounts.
- (x) The Board of Directors of the Company, at its meeting held on 28th August, 2013, proposed a Scheme of Arrangement under Sections 391 and 394 read with Sections 78, 80, 100 and other applicable provisions of the Companies Act, 1956, between its subsidiary, Wimco Limited ('Wimco') and the Company and their respective shareholders ('the Scheme') for demerger of the Non-Engineering business of Wimco to the Company on a going concern basis with effect from 1st April, 2013. The Members of the Company approved the Scheme on 24th March, 2014. The Hon'ble High Courts at Bombay and Calcutta have also sanctioned the Scheme on 10th April, 2014 and 14th May, 2014, respectively. Certified copies of the Orders from the Courts are awaited. The Scheme would become effective upon filing of such certified copies of the Orders with the respective Registrar of Companies. Pending this, the Scheme has not been given effect to in these financial statements.
- (xi) (a) Details of Opening and Closing Stock of Finished Goods (manufactured) and Stock-in-Trade (goods purchased for resale)

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
Opening Stock		
Cigarettes	1718.32	944.33
Branded Packaged Food Products	186.21	165.37
Agri Products / Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	127.36	117.88
Paperboards and Paper	89.33	62.33
Printed Materials	8.35	5.49
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	397.22	345.57
TOTAL	2526.79	1640.97
Closing Stock		
Cigarettes	1309.87	1718.32
Branded Packaged Food Products	212.14	186.21
Agri Products / Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	251.99	127.36
Paperboards and Paper	90.06	89.33
Printed Materials	6.94	8.35
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	427.01	397.22
TOTAL	2298.01	2526.79

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(b) Details of Opening and Closing Stock of Work-in-progress

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
Opening Stock		
Branded Packaged Food Products	12.01	9.97
Paperboards and Paper	113.25	73.92
Printed Materials	21.30	11.67
Others (Apparel, Personal Care Products)	8.46	5.33
TOTAL	155.02	100.89
Closing Stock		
Branded Packaged Food Products	15.69	12.01
Paperboards and Paper	103.55	113.25
Printed Materials	15.83	21.30
Others (Apparel, Personal Care Products)	7.22	8.46
TOTAL	142.29	155.02

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
(xii) Value of Imports during the year (C.I.F. Basis)		
Raw materials	1102.25	1121.10
Components and spare parts (including stores)	82.35	81.70
Capital goods	729.69	620.62
Other goods*	32.08	22.66
TOTAL	1946.37	1846.08

* Includes Goods purchased for resale, Packing Materials, Hotel Consumables and sundry items.

(xiii) Expenditure in Foreign Currency during the year

Professional fees	37.23	46.65
Hotel reservation / Marketing expenses	35.62	35.80
Export promotion expenses	6.70	5.20
Agency commission	8.33	6.82
Interest	—	4.94
Licence fees	2.99	2.26
Miscellaneous expenditure*	36.11	18.24
TOTAL	126.98	119.91

* Includes Advertisement / Sales promotion, Training, Subscription fees etc.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(xiv) Value of Raw materials, Spare parts and Components consumed during the year

	(Percentage)		For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
	2014	2013		
Raw materials (including packing materials)				
Imported	12.18	11.99	1249.66	1071.64
Indigenous	87.82	88.01	9013.62	7864.57
TOTAL	100.00	100.00	10263.28	8936.21
Spare parts and Components				
Imported	36.15	30.04	85.77	65.89
Indigenous	63.85	69.96	151.52	153.42
TOTAL	100.00	100.00	237.29	219.31

(xv) Dividend remittance in foreign currency

Year of Remittance	On Account of Financial Year	No. of Non-Resident Shareholders	No. of Shares held	(₹ in Crores)
2013/2014	2012/2013	53	2,43,74,10,523	1279.64
2012/2013	2011/2012	54	2,43,78,89,782	1097.05

(xvi) Earnings in foreign exchange during the year

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
Export of Goods (F.O.B.)	3743.69	3205.32
Hotel earnings	496.41	549.51
Freight and Insurance recoveries	28.30	25.92
Interest	3.25	14.30
Dividend	13.05	5.57
Other earnings*	5.68	6.78
TOTAL	4290.38	3807.40

* Consist of finance and storage charges, Certified Emission Reduction (CER) credits and sundry recoveries.

(xvii) Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required, based on a favourable High Court Order (Refer Notes 27 and 28). Segment Results of FMCG-Cigarettes and Finance Costs include the effects of such write back (Refer Note 32).

(xviii) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes to the Financial Statements

32. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	External Sales	2014 Inter Segment Sales	Total	External Sales	2013 Inter Segment Sales	Total
1. Segment Revenue						
FMCG - Cigarettes	29076.48	—	29076.48	25987.20	—	25987.20
FMCG - Others	8111.98	9.82	8121.80	7003.83	8.55	7012.38
FMCG - Total	37188.46	9.82	37198.28	32991.03	8.55	32999.58
Hotels	1121.45	11.40	1132.85	1062.08	12.31	1074.39
Agri Business	5130.09	2621.96	7752.05	5023.01	2177.72	7200.73
Paperboards, Paper and Packaging	3272.62	1893.42	5166.04	2733.70	1770.67	4504.37
Segment Total	46712.62	4536.60	51249.22	41809.82	3969.25	45779.07
Eliminations			(4536.60)			(3969.25)
Gross Revenue from sale of products and services			46712.62			41809.82
2. Segment Results						
FMCG - Cigarettes [Refer Note 31(xvii)]			10015.91			8325.94
FMCG - Others			21.82			(81.26)
FMCG - Total			10037.73			8244.68
Hotels			139.71			137.65
Agri Business			834.78			731.28
Paperboards, Paper and Packaging			892.46			963.95
Segment Total			11904.68			10077.56
Eliminations			(115.70)			(137.41)
Consolidated Total			11788.98			9940.15
Unallocated corporate expenses net of unallocated income			226.55			103.12
Profit before interest etc. and taxation			11562.43			9837.03
Finance costs [Refer Note 31(xvii)]			2.95			86.47
Interest earned on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc. - Net			1099.63			933.62
Profit before tax			12659.11			10684.18
Tax expense			3873.90			3265.79
Profit for the year			8785.21			7418.39
3. Other Information						
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG - Cigarettes	7811.97	2106.49		6837.55	1884.15	
FMCG - Others	4216.13	832.60		3250.40	718.51	
FMCG - Total	12028.10	2939.09		10087.95	2602.66	
Hotels	3917.15	291.76		3742.94	283.04	
Agri Business	2908.63	856.19		1906.18	649.62	
Paperboards, Paper and Packaging	5863.48	544.40		5467.45	509.18	
Segment Total	24717.36	4631.44		21204.52	4044.50	
Unallocated Corporate Assets/Liabilities	14956.53	8780.43		13315.44	8187.61	
Total	39673.89	13411.87		34519.96	12232.11	
	Capital expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital expenditure	Depreciation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	799.81	256.38	0.15	544.84	236.26	6.29
FMCG - Others	461.10	143.16	11.74	364.64	125.45	10.17
FMCG - Total	1260.91	399.54	11.89	909.48	361.71	16.46
Hotels	282.86	125.48	4.90	395.57	102.65	3.81
Agri Business	84.35	37.63	1.77	90.45	33.44	1.28
Paperboards, Paper and Packaging	662.90	295.28	15.46	690.31	260.20	9.58
Segment Total	2291.02	857.93	34.02	2085.81	758.00	31.13

* Segment Liabilities of FMCG - Cigarettes is before considering ₹ 667.98 Crores (2013 - ₹ 840.55 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Notes to the Financial Statements

32. Segment Reporting (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(₹ in Crores)

	2014	2013
1. Segment Revenue		
– Within India	42667.06	38335.93
– Outside India	4045.56	3473.89
Total	46712.62	41809.82
2. Segment Assets		
– Within India	24715.09	21201.20
– Outside India	2.27	3.32
Total	24717.36	21204.52
3. Capital Expenditure		
– Within India	2291.02	2085.81
– Outside India	–	–
Total	2291.02	2085.81

NOTES:

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups: FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The business groups comprise the following:

FMCG :	Cigarettes	– Cigarettes, Cigars, Smoking Mixtures etc.
	: Others	– Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
Hotels		– Hoteliering.
Paperboards, Paper and Packaging		– Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
Agri Business		– Agri commodities such as soya, spices, coffee and leaf tobacco.
- The geographical segments considered for disclosure are:

– Sales within India.
– Sales outside India.
- Segment results of 'FMCG: Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.

Notes to the Financial Statements

33. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS:

i) Subsidiaries:

- a) Srinivasa Resorts Limited
 - b) Fortune Park Hotels Limited
 - c) Bay Islands Hotels Limited
 - d) WelcomHotels Lanka (Private) Limited, Sri Lanka
 - e) Landbase India Limited
 - f) Russell Credit Limited and its subsidiary
Greenacre Holdings Limited
 - g) Technico Pty Limited, Australia and its subsidiaries
Technico Agri Sciences Limited
Technico Technologies Inc., Canada
Technico Asia Holdings Pty Limited, Australia and its subsidiary
Technico Horticultural (Kunming) Co. Limited, China
 - h) Wimco Limited and its subsidiaries
Pavan Poplar Limited
Prag Agro Farm Limited
 - i) ITC Infotech India Limited and its subsidiaries
ITC Infotech Limited, UK
ITC Infotech (USA), Inc. and its subsidiary
Pyxis Solutions, LLC, USA
 - j) Wills Corporation Limited
 - k) Gold Flake Corporation Limited
 - l) ITC Investments & Holdings Limited
 - m) Surya Nepal Private Limited
 - n) King Maker Marketing, Inc., USA
 - o) BFIL Finance Limited and its subsidiary
MRR Trading & Investment Company Limited
 - p) North East Nutrients Private Limited (w.e.f. 06.02.2014)
- The above list does not include ITC Global Holdings Pte. Limited, Singapore (in liquidation)

ii) Other entities under control of the Company:

- a) ITC Sangeet Research Academy
- b) ITC Education Trust
- c) ITC Rural Development Trust

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
- being associates of the Company, and
- c) Tobacco Manufacturers (India) Limited, UK
- of which the Company is an associate.

Associates of the Company's subsidiaries

- a) Russell Investments Limited
- b) Classic Infrastructure & Development Limited
- c) Divya Management Limited
- d) Antrang Finance Limited
- being associates of Russell Credit Limited, and
- e) ATC Limited
- being associate of Gold Flake Corporation Limited

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) Espirit Hotels Private Limited
- c) Logix Developers Private Limited

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

Joint Venture of the Company's subsidiary

- a) ITC Essentra Limited (formerly known as ITC Filtrona Limited)
- being joint venture of Gold Flake Corporation Limited

ii) a) Key Management Personnel:

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhobale	Executive Director
K. N. Grant	Executive Director
A. Baijal	Non-Executive Director
S. Banerjee	Non-Executive Director (upto 26.03.2014)
S. H. Khan	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director
R. Lerwill	Non-Executive Director (w.e.f. 18.11.2013)
S. B. Mathur	Non-Executive Director
D. K. Mehrotra	Non-Executive Director (upto 27.10.2013)
H. G. Powell	Non-Executive Director (upto 30.07.2013)
P. B. Ramanujam	Non-Executive Director
S. S. H. Rehman	Non-Executive Director
A. Ruys	Non-Executive Director
B. Sen	Non-Executive Director (upto 27.08.2013)
M. Shankar	Non-Executive Director
K. Vaidyanath	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director (upto 27.08.2013)

Members - Corporate Management Committee

B. B. Chatterjee
A. Nayak
T. V. Ramaswamy
S. Sivakumar
K. S. Suresh
R. Tandon

b) Relatives of Key Management Personnel:

- Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)

iii) Employee Trusts where there is significant influence:

- IATC Provident Fund
- IATC Staff X Provident Fund
- ITC Defined Contribution Pension Fund
- ITC Management Staff Gratuity Fund
- ITC Employees Gratuity Fund
- ITC Gratuity Fund 'C'
- ITC Pension Fund
- ILTD Seasonal Employees Pension Fund
- ITC Platinum Jubilee Pension Fund
- Tribeni Tissues Limited Gratuity Fund
- ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- ITC Hotels Limited Employees Superannuation Scheme

Notes to the Financial Statements

33. Related Party Disclosures (contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2014

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		Enterprises where control exists				Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
		Subsidiaries		Others													
		2014	2013	2014	2013												
1.	Sale of Goods/Services	256.59	213.52	—	0.01	0.80	0.56	8.12	7.67					265.51		221.76	
2.	Purchase of Goods/Services	250.18	258.86			88.49	86.85	272.22	226.77					610.89		572.48	
3.	Acquisition cost of Fixed Assets	5.69	4.59											5.69		4.59	
4.	Sale of Fixed Assets/Scraps	1.12	—			0.88	0.44							2.00		0.44	
5.	Investments Purchased from Subsidiary ¹	1.69	9.97											1.69		9.97	
6A.	Investment in Subsidiaries/Joint Ventures	85.40	30.00											86.64		30.00	
6B.	Conversion of Loan to Equity	422.96	—											422.96		—	
7.	Interest Income	15.81	27.13					1.24	—					15.93		27.20	
8.	Remuneration to Key Management Personnel																
	- Directors ²																
	- Others																
9.	Rent Received	6.49	3.42			0.47	0.40							23.38		16.60	
10.	Rent Paid	8.17	9.26			3.37	3.67							8.31		6.86	
11.	Remuneration of Managers on Deputation reimbursed	1.57	1.37			3.66	3.47							0.04		0.63	
12.	Remuneration of Managers on Deputation recovered	11.52	11.86			4.32	3.48	1.18	1.08					17.02		16.42	
13.	Donation																
14.	Contribution to Employees' Benefit Plans																
15.	Dividend Income	208.81	112.70			0.73	0.69							100.99	83.35	100.99	
16.	Dividend Payments					1042.42	893.50							209.54		113.39	
17.	Expenses Recovered	17.84	12.83	0.02	—	0.84	1.33	0.40	0.36					19.10		14.52	
18.	Expenses Reimbursed	7.15	5.13	0.03	0.06	1.08	4.68	0.17	0.30					8.43		10.17	
19.	Loans Given	—	1179.20											—		1179.20	
20.	Receipt towards Loan Repayment	8.90	853.79											0.27		0.17	
21.	Advances Given during the year	5.66	6.77			0.02	—							9.17		853.96	
22.	Adjustment/Receipt towards Refund of Advances	27.15	8.07											5.68		6.77	
23.	Advance Received during the year	100.15	134.62											27.15		8.07	
24.	Adjustment/Payment towards Refund of Advance	116.79	110.96											100.15		134.62	
25.	Deposit Received during the year					0.01	0.02							116.79		110.96	
26.	Deposits Given during the year	5.08	0.35											0.01		0.02	
27.	Adjustment/Receipt towards Refund of Deposits	5.00	—											0.01		0.02	
28.	Balances as at 31st March													—		—	
	i) Receivables	34.86	33.73			1.00	0.95	3.44	3.92								
	ii) Advances Given	1.95	23.44			0.02	—							11.90		39.30	
	iii) Loans Given	130.52	530.27											13.87		23.44	
	iv) Deposits Given	52.95	52.87			0.10	0.10							130.52		530.54	
	v) Advance Taken	123.95	140.59											53.40		53.33	
	vi) Deposits Taken													123.95		140.59	
	vii) Payables	1.28	4.25			0.10	0.09	2.22	2.07					0.10		0.09	
	viii) Investment in Non-Convertible Debentures	15.00	15.00			5.60	5.40							22.87	24.50	31.97	
29.	Provision for subsidiary as at 31st March	47.55	47.55											15.00		15.00	
30.	In addition, remuneration of managers on deputation, absorbed	2.82	2.48	0.19	0.17									47.55		47.55	
														3.01		2.65	

¹ Unquoted investments purchased, at cost, during the year from subsidiary ₹ 1.69 Crores (2013 : quoted investment - ₹ 9.97 Crores. The market value of the quoted investment on the date of acquisition was ₹ 101.91 Crores).

² Includes ₹ 21.21 Crores (2013 - ₹ 0.06 Crore) attributable to remuneration of Directors which is subject to approval by the Company in General Meeting.

Notes to the Financial Statements

33. Related Party Disclosures (contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES

(Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY		2014	2013
1. Sale of Goods/Services	Surya Nepal Private Limited	229.43	185.94
2. Purchase of Goods/Services	ITC Infotech India Limited	111.88	108.61
	Wimco Limited	133.66	145.57
	International Travel House Limited	66.19	65.50
	ITC Essentra Limited	271.98	226.57
3. Acquisition Cost of Fixed Assets	Wimco Limited	5.57	4.59
4. Sale of Fixed Assets/Scraps	ATC Limited	0.88	0.44
	Srinivasa Resorts Limited	1.12	—
5. Investments Purchased from Subsidiary	Russell Credit Limited	1.69	9.97
6A. Investment in Subsidiaries/ Joint Ventures	Landbase India Limited	50.00	30.00
	WelcomHotels Lanka (Private) Limited	24.02	—
	North East Nutrients Private Limited	11.38	—
6B. Conversion of Loan to Equity	WelcomHotels Lanka (Private) Limited	422.96	—
7. Interest Income	WelcomHotels Lanka (Private) Limited	3.25	14.30
	Surya Nepal Private Limited	12.56	12.83
8. Remuneration to Key Management			
Personnel – Directors & Others	Mr. Y. C. Deveshwar	13.68	9.93
9. Rent Received	Srinivasa Resorts Limited	1.64	—
	ITC Infotech India Limited	2.36	1.93
	Surya Nepal Private Limited	2.42	1.42
	International Travel House Limited	0.47	0.40
10. Rent Paid	Bay Islands Hotels Limited	1.46	1.43
	Wimco Limited	4.24	4.21
	Gujarat Hotels Limited	3.37	3.67
	Russell Credit Limited	0.36	1.61
	Technico Agri Sciences Limited	1.04	1.04
11. Remuneration of Managers on Deputation reimbursed	Bay Islands Hotels Limited	1.17	1.13
	Gujarat Hotels Limited	3.42	3.22
12. Remuneration of Managers on Deputation recovered	Srinivasa Resorts Limited	3.88	3.73
	Fortune Park Hotels Limited	2.91	3.08
	ITC Infotech India Limited	3.06	3.37
	ATC Limited	3.14	2.55

RELATED PARTY TRANSACTIONS SUMMARY		2014	2013
13. Donation	ITC Rural Development Trust	—	1.50
	ITC Sangeet Research Academy	—	0.20
14. Contribution to Employees' Benefit Plans	IATC Provident Fund	23.44	18.66
	ITC Defined Contribution Pension Fund	13.14	9.65
	ITC Pension Fund	47.12	45.49
15. Dividend Income	Surya Nepal Private Limited	128.49	103.33
	Russell Credit Limited	65.00	—
16. Dividend Payments	Tobacco Manufacturers (India) Limited, UK	1042.42	893.50
17. Expenses Recovered	Surya Nepal Private Limited	3.04	0.35
	ITC Infotech India Limited	9.06	8.16
	Srinivasa Resorts Limited	3.32	2.27
18. Expenses Reimbursed	Srinivasa Resorts Limited	1.78	1.72
	Landbase India Limited	1.11	0.12
	Wimco Limited	1.76	1.59
	ITC Infotech (USA), Inc.	0.99	—
	Fortune Park Hotels Limited	0.77	1.00
	International Travel House Limited	0.32	3.76
19. Loans Given	ITC Infotech India Limited ¹	—	396.80
	Russell Credit Limited ²	—	400.00
	WelcomHotels Lanka (Private) Limited ³	—	382.40
20. Receipt towards Loan Repayment	ITC Infotech India Limited ¹	—	453.79
	Russell Credit Limited ²	—	400.00
	Surya Nepal Private Limited	8.90	—
21. Advances Given during the year	Wimco Limited	5.66	6.67
22. Adjustment/Receipt towards Refund of Advances	Wimco Limited	27.15	7.97
23. Advances Received during the Year	Surya Nepal Private Limited	100.15	134.62
24. Adjustment/ Payment towards Refund of Advances	Surya Nepal Private Limited	116.79	110.96
25. Deposit Received during the Year	International Travel House Limited	0.01	0.02
26. Deposits Given during the Year	Wimco Limited	—	0.35
	Srinivasa Resorts Limited	5.00	—
27. Adjustment/Receipt towards Refund of Deposits	Srinivasa Resorts Limited	5.00	—

RELATED PARTY TRANSACTIONS SUMMARY		2014	2013
28. Balances as at 31st March			
i) Receivables	Surya Nepal Private Limited	29.57	13.92
	WelcomHotels Lanka (Private) Limited	—	14.22
ii) Advances Given	Employees Trust - Pension Funds	11.90	—
	Wimco Limited	1.95	23.44
iii) Loans Given	Surya Nepal Private Limited ⁴	97.97	106.88
	BFL Finance Limited ⁵	32.55	32.55
	WelcomHotels Lanka (Private) Limited ³	—	390.84
iv) Deposits Given	Wimco Limited ⁶	50.35	50.35
	Russell Credit Limited ⁷	0.12	0.12
	Greenacre Holdings Limited ⁸	2.24	2.20
	Wills Corporation Limited ⁹	0.24	0.20
v) Advance Taken	Surya Nepal Private Limited	123.95	140.59
vi) Deposits Taken	International Travel House Limited	0.10	0.09
vii) Payables	Employees Trust - Pension Funds	—	11.76
	Employees Trust - Gratuity Funds	22.87	12.74
	International Travel House Limited	3.13	4.30
	ITC Essentra Limited	2.22	2.07
	Wimco Limited	0.60	3.34
viii) Investment in Non-Convertible Debentures	BFL Finance Limited	15.00	15.00
29. Provision for Subsidiary as at 31st March	BFL Finance Limited - Debts	47.55	47.55
30. In addition, Remuneration of Managers on Deputation, absorbed	ITC Infotech India Limited	0.84	0.63
	Landbase India Limited	1.11	1.06
	Technico Agri Sciences Limited	0.87	0.80

- Interest free, repayable on demand. The maximum indebtedness during the year was Nil (2013 - ₹ 95.25 Crores)
- Interest free. The maximum indebtedness during the year was Nil (2013 - ₹ 400.00 Crores)
- Interest bearing. The maximum indebtedness during the year was US\$ 72 Million (2013 - US\$ 72 Million)
- Interest bearing. The maximum indebtedness during the year was ₹ 106.88 Crores (2013 - ₹ 106.88 Crores)
- Interest free. The maximum indebtedness during the year was ₹ 32.55 Crores (2013 - ₹ 32.55 Crores)
- The maximum indebtedness during the year was ₹ 50.35 Crores (2013 - ₹ 50.35 Crores)
- The maximum indebtedness during the year was ₹ 0.12 Crore (2013 - ₹ 0.12 Crores)
- The maximum indebtedness during the year was ₹ 2.24 Crores (2013 - ₹ 2.20 Crores)
- The maximum indebtedness during the year was ₹ 0.24 Crore (2013 - ₹ 0.20 Crore)

Notes to the Financial Statements

34. Significant Accounting Policies

IT IS CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation/enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual instalments. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

Revaluation of Assets

As and when Fixed Assets are revalued, to adjust the provision for depreciation on such revalued Fixed Assets, where applicable, in order to make allowance for consequent additional diminution in value on considerations of age, condition and unexpired useful life of such Fixed Assets; to transfer to Revaluation Reserve the difference between the written up value of the Fixed Assets revalued and depreciation adjustment and to charge Revaluation Reserve Account with annual depreciation on that portion of the value which is written up.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Inventories

To state inventories including work-in-progress at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue from sale of products and services

To recognise Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales tax/Value added tax recovered from customers but including excise duty on goods payable by the Company. Net revenue is stated after deducting such excise duty.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account as proposed by the Directors, pending approval at the Annual General Meeting.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue including any shortfall in interest between

Notes to the Financial Statements

34. Significant Accounting Policies (Contd.)

the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard - 15 on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in Statement of Profit and Loss as income or expense.

To charge against revenue, actual disbursements made, when due, under the Workers' Voluntary Retirement Scheme.

Lease Rentals

To charge Rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

To recognise rental income on assets given on operating lease on an accrual basis over the lease term in the Statement of Profit and Loss.

Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred.

Capital expenditure on Research and Development is included under Tangible Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognised in the Statement of Profit and Loss.

To account for differences between the forward exchange rates and the exchange rates at the inception of forward exchange contracts (other than those designated as cash

flow hedges), as income or expense over the life of the contracts.

To account for gains/losses arising on cancellation or renewal of forward exchange contracts (other than those designated as cash flow hedges) as income/expense for the period.

To apply the principles of hedge accounting as set out in Accounting Standard - 30 "Financial Instruments: Recognition and Measurement" to those forward exchange contracts and currency options that are designated as cash flow hedges and, accordingly, to account for the changes in the fair value of such contracts, to the extent that they are effective, directly in the Hedging Reserve Account, and to take the ineffective portion to the Statement of Profit and Loss. To recognise in the Statement of Profit and Loss the balance in the Hedging Reserve Account when the hedged item affects the profit or loss.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of forward exchange contracts and currency options, other than those designated as cash flow hedges, as at the Balance Sheet date, and to ignore the net gain, if any.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

Claims

To disclose claims against the Company not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, provide financial and cost information appropriate to the businesses and facilitate Internal Control.

On behalf of the Board

P. V. DHOBALE *Director* Y. C. DEVESHWAR *Chairman*
R. TANDON *Chief Financial Officer* B. B. CHATTERJEE *Company Secretary*

New Delhi
23rd May, 2014

Independent Auditors' Report

to the Members of ITC Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ITC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

New Delhi
23rd May, 2014

P. R. Ramesh
Partner
(Membership No. 70928)

Annexure to the Independent Auditors' Report

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses (xii), (xiii), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company. In respect of the other clauses, we report as under:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in the pursuance of Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company, as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
 - (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) As at 31st March, 2014, the following are the particulars of dues on account of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess matters that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
			Various years covering the period	
Sales Tax and VAT Laws	Sales tax and VAT	8.28	1987-2013	Appellate Authority – upto Commissioners' / Revisional authorities level
		8.66	1994-2014	Appellate Authority – Tribunal level
		162.34	2000-2008	High Court
Customs Act, 1962	Customs duty	0.01	2010-2011	Appellate Authority – upto Commissioners' / Revisional authorities level
		1.50	2005-2007	Appellate Authority – Tribunal level
Central Excise Act, 1944	Excise duty	10.66	1996-2014	Appellate Authority – upto Commissioners' / Revisional authorities level
		61.82	1973-2013	Appellate Authority – Tribunal level
		1.43	2005-2010	High Court
		0.31	1991-1996	Supreme Court
Finance Act, 1994	Service tax	3.78	2004-2012	Appellate Authority – upto Commissioners' / Revisional authorities level
		15.26	2005-2011	Appellate Authority – Tribunal level
Income Tax Act, 1961	Income tax	93.62	1999-2006	Appellate Authority – upto Commissioners' / Revisional authorities level

Out of the total disputed dues aggregating ₹ 367.67 Crores as above, ₹ 234.20 Crores has been stayed for recovery by the relevant authorities.

- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has maintained proper records of transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- (xiii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)
P. R. Ramesh
Partner
(Membership No. 70928)

New Delhi
23rd May, 2014

Guide to Subsidiaries/Joint Ventures/Associates

Subsidiaries of ITC Limited

Russell Credit Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Investment company. Its activities are primarily confined to making long term investments in strategic thrust areas for ITC, namely FMCG, Hotels & Tourism, Paper, Paperboards & Packaging, Agri Business and Information Technology.

Subsidiary

Greenacre Holdings Limited, a wholly owned subsidiary, is engaged in property infrastructure maintenance.

Gold Flake Corporation Limited & Wills Corporation Limited

Shareholding

100% held by ITC Limited.

Nature of Business

General trading.

Joint Venture

ITC Essentra Limited, (formerly known as ITC Filtrona Limited) India, is a 50% joint venture of Gold Flake Corporation Limited with Essentra Filter Products International Limited, UK.

Nature of Business

Manufacture and sale of cigarette filter rods.

ITC Investments & Holdings Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Investment company.

Landbase India Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Hospitality, real estate development and management of golf resorts.

The Company owns the Classic Golf Resort, a 27-hole international signature golf course, designed by Jack Nicklaus.

BFIL Finance Limited (BFIL)

Shareholding

100% held by ITC Limited.

The Company became a subsidiary consequent to the amalgamation of erstwhile ITC Bhadrachalam Paperboards Limited with ITC Limited.

Nature of Business

It was originally promoted as a financial services company. It is currently engaged only in recovery of its dues.

Subsidiary

BFIL owns 100% of the shareholding of MRR Trading & Investment Company Limited, which owns tenancy rights to a prime office space in Mumbai.

ITC Infotech India Limited (I3L)

Shareholding

100% held by ITC Limited.

Nature of Business

Information technology services and solutions.

Subsidiaries

I3L owns 100% of the shareholding of :

ITC Infotech Limited, UK and

ITC Infotech (USA), Inc.

ITC Infotech (USA), Inc. owns 100% of Pyxis Solutions, LLC, a New York Limited Liability Company.

These subsidiaries provide on-site information technology services and extend business development services to I3L.

Surya Nepal Private Limited

Shareholding

59% held by ITC Limited.

Nature of Business

Manufacture and sale of cigarettes and in the business of garments and matches.

Srinivasa Resorts Limited

Shareholding

68% held by ITC Limited.

Nature of Business

The Company owns the hotel "ITC Kakatiya" at Hyderabad, which is operated by ITC Limited.

Fortune Park Hotels Limited

Shareholding

100% held by ITC Limited.

Nature of Business

The Company is in the business of operating hotels in the mid-market to upscale segment and franchising hospitality brands for the same. It currently operates 42 properties.

Bay Islands Hotels Limited

Shareholding

100% held by ITC Limited.

Nature of Business

The Company owns the hotel "Fortune Resort Bay Island" at Port Blair, which is licensed to ITC Limited and is operated by Fortune Park Hotels Limited under an Operating and Marketing Services Agreement.

WelcomHotels Lanka (Private) Limited, Sri Lanka

Shareholding

100% held by ITC Limited.

Nature of Business

The Company is in the process of developing a plot of land in Colombo for a mixed use development project including a luxury hotel.

King Maker Marketing, Inc., USA

Shareholding

100% held by ITC Limited.

Nature of Business

Primarily trading in cigarettes in USA.

Wimco Limited

Shareholding

98.21% held by ITC Limited.

Nature of Business

Wimco Limited is engaged primarily in the manufacture of safety matches.

Subsidiaries

Wimco Limited has two wholly owned subsidiaries, namely Pavan Poplar Limited and Prag Agro Farm Limited, which are engaged in agro-forestry and other related activities to support Wimco's business.

Technico Pty Limited, Australia (Technico)

Shareholding

100% held by ITC Limited.

Nature of Business

An agri-biotechnology company primarily engaged in rapid multiplication of seed potatoes with TECHNITUBER® technology.

Subsidiaries

Technico has three wholly owned subsidiaries, namely Technico Agri Sciences Limited, India, Technico Technologies Inc., Canada and Technico Asia Holdings Pty Limited, Australia.

Technico Asia Holdings Pty Limited, Australia, has a wholly owned subsidiary, Technico Horticultural (Kunming) Company Limited, China.

These companies support Technico in the production and commercialisation of seed potato technology in different geographies.

North East Nutrients Private Limited

Shareholding

76% held by ITC Limited.

Nature of Business

The Company is in the process of constructing a food processing facility in Assam to cater to the market for packaged food products in Assam and other North Eastern States.

Joint Ventures of ITC Limited

Maharaja Heritage Resorts Limited

Maharaja Heritage Resorts Limited, where ITC Limited has an ownership interest of 50% (25% held through Russell Credit Limited, a 100% subsidiary of the Company), is a joint venture with Jodhana Heritage Resorts Private Limited.

Nature of Business

The joint venture company currently operates 37 hotel properties spread across 13 states under 3 brands namely "Legend Hotels", "WelcomHeritage Hotels" and "Nature Resorts".

Espirit Hotels Private Limited

ITC Limited holds 26% in Espirit Hotels Private Limited.

Nature of Business

The joint venture company is in the process of developing a luxury hotel complex at Begampet, Hyderabad.

Logix Developers Private Limited

ITC Limited holds 26% in Logix Developers Private Limited.

Nature of Business

The joint venture company is in the process of developing a luxury hotel-cum-serviced apartment complex at Noida, UP.

Major Associates of the Group

Gujarat Hotels Limited

ITC Limited holds 45.78% in Gujarat Hotels Limited.

Nature of Business

The Company owns the "WelcomHotel Vadodara" at Vadodara which is operated by ITC Limited under an Operating Licence Agreement.

International Travel House Limited

ITC Limited holds 3.6% and Russell Credit Limited, a 100% subsidiary of ITC Limited, holds 45.36%.

Nature of Business

Air ticketing, car rentals, inbound outbound tourism, domestic holidays, conferences, events & exhibition management and foreign exchange services for travellers.

Note: The full list of the Group's Associates appears on page 172.

Principles of Consolidation

The Group's interests in its subsidiaries, associates and joint ventures are reflected in the Consolidated Financial Statements (CFS) in accordance with the relevant Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006.

Subsidiaries (AS 21)

Line by line consolidation of the Statement of Profit and Loss and Balance Sheet is done by aggregating like items of assets, liabilities, income and expenses.

The excess / deficit of the cost to ITC Limited of its investments in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill / capital reserve in the CFS. The goodwill is disclosed as an asset and capital reserve as a reserve in the Consolidated Balance Sheet.

Minority interest in the net income (profit after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet.

Inter-Company transactions within the Group (both Profit & Loss and Balance Sheet items) are eliminated for arriving at the Group CFS.

CFS is prepared applying uniform accounting policies of ITC Limited to the Group companies.

Associates (AS 23)

On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Only share of net profits / losses of associates is considered in Consolidated Statement of Profit and Loss.

The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

Joint Ventures (AS 27)

Interest in joint ventures is reported using proportionate consolidation method in the CFS.

A separate line item is added in CFS for proportionate share of assets, liabilities, income and expenses.



Consolidated Financial Statements

Balance Sheet	140
Statement of Profit and Loss	141
Cash Flow Statement	142
Notes	144
Auditors' Report	187

Consolidated Balance Sheet as at 31st March, 2014

	Note	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	795.32		790.18	
Reserves and surplus	2	26441.64	27236.96	22367.72	23157.90
Minority interests		203.03		179.89	
Non-current liabilities					
Long-term borrowings	3	76.40		90.80	
Deferred tax liabilities (Net)	4A	1306.99		1213.59	
Other Long term liabilities	5	42.74		40.47	
Long-term provisions	6	131.75	1557.88	144.75	1489.61
Current liabilities					
Short-term borrowings	7	150.24		—	
Trade payables [Includes share of Joint Ventures ₹ 30.36 Crores (2013 - ₹ 23.94 Crores)]		2106.25		1771.56	
Other current liabilities	8	3673.10		3560.03	
Short-term provisions	9	5956.47	11886.06	5194.39	10525.98
TOTAL		40883.93		35353.38	
ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		12556.00		11728.45	
Intangible assets		73.83		100.54	
Capital work-in-progress - Tangible assets		3081.29		2041.37	
Intangible assets under development		36.08		20.66	
		15747.20		13891.02	
Less: Provision for assets given on lease		5.67		5.67	
		15741.53		13885.35	
Goodwill on consolidation		297.14		316.51	
Non-current investments	11	798.52		814.17	
Deferred tax assets (Net)	4B	35.52		24.11	
Long-term loans and advances	12	1428.92		1246.30	
Other non-current assets	12A	1.24	18302.87	1.24	16287.68
Current assets					
Current investments	13	6485.50		5167.11	
Inventories	14	8255.24		7522.09	
Trade receivables	15	2439.21		1395.76	
Cash and bank balances	16	3490.19		3828.30	
Short-term loans and advances	17	816.20		529.61	
Other current assets	18	1094.72	22581.06	622.83	19065.70
TOTAL		40883.93		35353.38	

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

	Note	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
Gross Income	19	50550.61	45102.45
Gross Revenue from sale of products and services		49247.28	43920.76
Less: Excise Duty		14262.58	12597.31
Net Revenue from sale of products and services		34984.70	31323.45
Other operating revenue		332.38	304.09
Revenue from operations	20	35317.08	31627.54
Other income	21	970.95	877.60
Total Revenue		36288.03	32505.14
Expenses			
Cost of materials consumed [Includes share of Joint Ventures ₹ 108.30 Crores (2013 - ₹ 83.62 Crores)]		10376.05	9069.82
Purchases of Stock-in-Trade		2976.98	3305.23
Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and Intermediates	22	(112.74)	(256.84)
Employee benefits expense	23	2504.24	2145.63
Finance costs	24	6.37	87.18
Depreciation and amortisation expense [Includes share of Joint Ventures ₹ 1.91 Crores (2013 - ₹ 1.45 Crores)]		964.92	859.11
Other expenses	25	6520.66	6189.36
Total Expenses		23236.48	21399.49
Profit before tax		13051.55	11105.65
Tax expense:			
Current tax	26	3988.87	3088.05
Deferred tax	27	72.06	324.02
Profit after tax before share of results of associates and minority interests		8990.62	7693.58
Less: Minority interests		109.81	96.38
Share of net profit of associates		10.57	10.87
Profit for the year		8891.38	7608.07
Earnings per share (Face Value ₹ 1.00 each)	28 (i)		
Basic		₹ 11.22	₹ 9.69
Diluted		₹ 11.09	₹ 9.56

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	13051.55	11105.65
ADJUSTMENTS FOR:		
Depreciation and Amortisation Expense	964.92	859.11
Finance costs	6.37	87.18
Interest Income	(416.02)	(342.79)
Dividend Income from Long Term Investments	(9.64)	(14.52)
Dividend Income from Current Investments	(179.87)	(232.22)
Loss on Sale of Fixed Assets - Net	5.21	25.30
Net gain on sale of Current Investments etc.	(330.76)	(148.20)
Gain on sale of Long Term Investments	(0.35)	(121.62)
Doubtful and Bad Debts	20.34	9.72
Doubtful and Bad Advances, Loans and Deposits	0.89	0.38
Provision for Standard Assets	—	0.06
Provision on Long Term Investments	20.67	—
Excess of Carrying Cost over Fair Value of Current Investments - Net	8.21	—
Excess of Cost of Current Investments over Fair Value, reversed - Net	—	(25.80)
Foreign Currency translations and transactions - Net	15.73	6.49
Impairment of Goodwill on consolidation	15.17	9.35
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13172.42	11218.09
ADJUSTMENTS FOR:		
Trade Receivables, Loans and Advances and Other Assets	(1546.05)	(446.35)
Inventories	(754.57)	(985.44)
Trade Payables, Other Liabilities and Provisions	456.26	330.89
CASH GENERATED FROM OPERATIONS	11328.06	10117.19
Income Tax Paid	(3984.48)	(3015.36)
NET CASH FROM OPERATING ACTIVITIES	7343.58	7101.83
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2887.16)	(2644.26)
Sale of Fixed Assets	38.26	9.65
Purchase of Current Investments etc.	(94216.50)	(75659.79)
Sale/Redemption of Current Investments etc.	93268.59	75017.59
Purchase of Long Term Investments	(25.73)	(53.33)
Sale of Long Term Investments	24.10	134.44
Dividend Income from Long Term Investments Received	9.64	14.52
Dividend Income from Current Investments Received	179.87	232.22
Dividend from Associates	2.27	2.23
Interest Received	373.95	265.43
Investment in bank deposits (original maturity more than 3 months)	(2866.50)	(3451.60)
Redemption/Maturity of bank deposits (original maturity more than 3 months)	3163.16	2681.48
Investment in deposits with financial institutions	(750.00)	(425.00)
Redemption/Maturity of deposits with financial institutions	425.00	—
Loans Given to Associates	—	(7.00)
Loans Realised from Associates	1.40	—
Loans Realised	5.57	2.07
NET CASH USED IN INVESTING ACTIVITIES	(3254.08)	(3881.35)

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	691.08	922.31
Proceeds from Long-term Borrowings	5.81	0.35
Repayments of Long-term Borrowings	(15.04)	(12.06)
Proceeds from issue of shares by a subsidiary to minority shareholders	3.60	—
Net increase/(decrease) in Cash/Export Credit Facilities	150.24	(1.89)
Interest Paid	(47.73)	(70.93)
Net increase in Statutory Restricted Accounts Balances	17.36	15.16
Dividends Paid	(4238.60)	(3591.62)
Income Tax on Dividends Paid	(688.26)	(571.33)
NET CASH USED IN FINANCING ACTIVITIES	(4121.54)	(3310.01)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(32.04)	(89.53)
OPENING CASH AND CASH EQUIVALENTS	308.52	398.05
CLOSING CASH AND CASH EQUIVALENTS	276.48	308.52
<i>Notes:</i>		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".		
2. CASH AND CASH EQUIVALENTS:		
Cash and Cash Equivalents as above	276.48	308.52
Other bank balances	3234.57	3513.87
Unrealised Gain/(Loss) on Foreign Currency Cash and Cash Equivalents	(20.86)	5.91
Cash and bank balances (Note 16)	<u>3490.19</u>	<u>3828.30</u>

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

New Delhi, 23rd May, 2014

On behalf of the Board

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 (₹ in Crores)
1. Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	10,00,00,00,000	1000.00	10,00,00,00,000	1000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	7,95,31,82,950	795.32	7,90,18,33,110	790.18
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	7,90,18,33,110	790.18	7,81,84,24,300	781.84
Add: Issue of Shares on exercise of Options	5,13,49,840	5.14	8,34,08,810	8.34
As at end of the year	7,95,31,82,950	795.32	7,90,18,33,110	790.18
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 %	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 %
Tobacco Manufacturers (India) Limited	1,98,55,64,880	24.96	1,98,55,64,880	25.13
Life Insurance Corporation of India	1,10,28,29,844	13.87	96,18,42,593	12.17
Specified Undertaking of the Unit Trust of India	89,67,24,540	11.28	89,67,24,540	11.35
C) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2014 (No. of Shares)		2013 (No. of Shares)	
Bonus Shares issued in 2010-11	3,82,67,01,530		3,82,67,01,530	
D) Rights, preferences and restrictions attached to the Ordinary Shares				
The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
E) Shares reserved for issue under Options				
	As at 31st March, 2014 (No. of Shares)		As at 31st March, 2013 (No. of Shares)	
Ordinary Shares of ₹ 1.00 each	26,58,13,470		25,06,80,820	

Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options:	30% vests
On completion of 24 months from the date of grant of the Options:	30% vests
On completion of 36 months from the date of grant of the Options:	40% vests

The Options have been granted at the 'market price' as defined from time to time under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
2. Reserves and surplus		
Capital Reserve		
At the beginning and at the end of the year	5.75	5.75
Capital Reserve on consolidation		
At the beginning and at the end of the year	74.12	74.12
Capital Redemption Reserve		
At the beginning of the year	5.13	5.13
Add: Consequent to change in Group's Interest	—	—
At the end of the year	5.13	5.13
Securities Premium Account		
At the beginning of the year	3447.41	2533.43
Add: On issue of Shares	685.94	913.97
Consequent to change in Group's Interest	—	0.01
At the end of the year	4133.35	3447.41
Revaluation Reserve		
At the beginning of the year	102.09	102.76
Add: Consequent to change in Group's Interest	—	0.01
Less: Depreciation	0.37	0.38
On disposal of fixed assets	2.41	0.30
At the end of the year	99.31	102.09
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
Foreign Currency Translation Reserve		
At the beginning of the year	120.04	96.61
Add: Adjustment for translation of Non Integral Foreign Operations	45.05	23.43
At the end of the year	165.09	120.04
Special Reserve under Section 45-IC of the RBI Act, 1934		
At the beginning of the year	80.89	69.10
Add: Transfer from Surplus in Statement of Profit and Loss	6.91	11.79
At the end of the year	87.80	80.89
Employees Housing Reserve under Nepal labour laws		
At the beginning of the year	38.01	27.26
Add: Transfer from Surplus in Statement of Profit and Loss	12.27	10.75
At the end of the year	50.28	38.01
Subsidy Reserve		
At the beginning and at the end of the year	0.23	0.23
General Reserve		
At the beginning of the year	13941.20	13254.73
Add: Consequent to change in Group's Interest	—	0.02
Transfer from Surplus in Statement of Profit and Loss	881.81	750.93
Less: Transfer to Surplus in Statement of Profit and Loss	—	64.48
At the end of the year	14823.01	13941.20
Hedging Reserve		
At the beginning of the year	—	—
Add: Gain on mark to market of hedging instruments designated and effective as hedges of future cash flows (net of deferred tax ₹ 10.47 Crores)	20.33	—
At the end of the year	20.33	—
Surplus in Statement of Profit and Loss		
At the beginning of the year	4163.74	2123.11
Add: Transfer from General Reserve	—	64.48
Surplus brought forward for Joint Ventures	23.08	19.14
Profit for the Year	8891.38	7608.07
Less: Transfer to General Reserve	881.81	750.93
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	6.91	11.79
Employees Housing Reserve under Nepal labour laws	12.27	10.75
Consequent to change in Group's Interest	—	0.04
Proposed Dividend [₹ 6.00 (2013 - ₹ 5.25) per share]	4771.91	4148.46
Income Tax on Dividend Proposed/ Paid		
— Current Year	822.77	705.97
— Earlier year's provision no longer required	(28.68)	(0.61)
Share of Revenue reserves of Joint Ventures carried forward	27.64	23.73
At the end of the year	6583.57	4163.74
TOTAL	26411.02	22341.66
Share of Joint Ventures - Note 28 (ii) (b)	30.62	26.06
GRAND TOTAL	26441.64	22367.72

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
3. Long-term borrowings		
Unsecured		
Term loans		
– From Banks	–	0.02
– From Others	1.49	1.88
	1.49	1.90
Deferred payment liabilities		
Sales tax deferment loans	51.00	66.38
TOTAL	52.49	68.28
Share of Joint Ventures - Note 28 (ii) (b)*	23.91	22.52
GRAND TOTAL	76.40	90.80

* secured by hypothecation of certain fixed assets and current assets.

Terms of borrowings are as under:

Term loans from Banks:

Repayable in equated periodic instalments upto a 5 year period from the date of respective loan. These are repayable by 2014-15 and carry an interest of 11.25% p.a.

Term loans from Others:

Comprise two interest free loans. One of the loans is repayable by 2016-17 in annual instalments and the other loan stipulates repayment on the basis of 50% of the net profits earned by a subsidiary or the residual balance, whichever is less.

Sales tax deferment loans:

Repayable after a period of 10 to 14 years from the end of the month of respective loans. These are repayable by 2025-26 and are interest free.

Share of Joint Ventures:

Represents deferred payment liabilities which are repayable in 16 equal half yearly instalments alongwith interest. These are repayable by 2020-21 and carry an interest of 11.00% p.a.

The scheduled maturity of the Long-term borrowings are summarised as under:

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
Borrowings repayable				
In the first year (Note 8)	0.39	19.82	0.42	14.63
Current maturities of long-term debt	0.39	19.82	0.42	14.63
In the second year	0.53	16.75	0.38	18.84
In the third to fifth year	0.96	40.86	1.47	43.39
After five years	–	17.30	0.05	26.67
Long-term borrowings	1.49	74.91	1.90	88.90

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
4A. Deferred tax liabilities (Net)		
Deferred tax liabilities		
On fiscal allowances on fixed assets	1366.01	1218.06
On excise duty on closing stock	365.21	490.57
Other timing differences	19.90	7.15
	1751.12	1715.78
Share of Joint Ventures - Note 28 (ii) (b)	0.92	1.04
Total Deferred tax liabilities	1752.04	1716.82
Deferred tax assets		
On employees' separation and retirement etc.	67.47	49.28
On provision for doubtful debts/advances	14.60	12.01
On State and Central taxes etc.	318.60	408.83
Other timing differences	44.13	32.94
	444.80	503.06
Share of Joint Ventures - Note 28 (ii) (b)	0.25	0.17
Total Deferred tax assets	445.05	503.23
	1306.99	1213.59
4B. Deferred tax assets (Net)		
Deferred tax assets		
On fiscal allowances on fixed assets	4.59	3.17
On employees' separation and retirement etc.	19.77	8.28
On provision for doubtful debts/advances	4.82	2.26
On unabsorbed tax losses and depreciation*	3.75	3.80
Other timing differences	2.96	6.95
	35.89	24.46
Share of Joint Ventures - Note 28 (ii) (b)*	0.65	0.69
Total Deferred tax assets	36.54	25.15
Deferred tax liabilities		
On fiscal allowances on fixed assets	0.06	0.05
Other timing differences	0.95	0.98
	1.01	1.03
Share of Joint Ventures - Note 28 (ii) (b)	0.01	0.01
Total Deferred tax liabilities	1.02	1.04
	35.52	24.11

* Set up based on virtual certainty of future taxable income available to realise such assets.

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
5. Other Long term liabilities		
Trade payables	—	1.32
Sundry deposits	32.63	31.19
Others (Includes retention monies payable towards fixed assets etc.)	10.11	7.96
TOTAL	42.74	40.47
6. Long-term provisions		
Provision for employee benefits		
Retirement benefits	79.84	72.96
Other benefits	51.32	71.20
Provision for standard assets	0.09	0.09
TOTAL	131.25	144.25
Share of Joint Ventures - Note 28 (ii) (b)	0.50	0.50
GRAND TOTAL	131.75	144.75
7. Short-term borrowings		
Secured		
Loans from Banks		
Cash credit facilities	147.35	—
TOTAL	147.35	—
Share of Joint Ventures - Note 28(ii) (b)	2.89	—
GRAND TOTAL	150.24	—

Cash credit facilities are secured by hypothecation of certain fixed assets, investments and current assets, both present and future.

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
8. Other current liabilities		
Current maturities of long-term debt (Note 3)	15.77	11.58
Interest accrued but not due on borrowings	1.81	0.32
Income received in advance	—	1.43
Unpaid dividend*	113.28	95.92
Unpaid matured deposits and interest accrued thereon
Unpaid matured debentures / bonds and interest accrued thereon**	0.32	0.32
Sundry deposits	42.07	33.93
Other payables (includes payables for fixed assets, statutory liabilities, advances from customers etc.)	3492.47	3410.61
TOTAL	3665.72	3554.11
Share of Joint Ventures - Note 28 (ii) (b)	7.38	5.92
GRAND TOTAL	3673.10	3560.03

* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory / Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of pending legal disputes, details in respect of which are on record with the Company, including an amount of ₹ 0.30 Crore (2013 - ₹ 0.30 Crore) maintained with a bank for which the Company has filed a suit.

9. Short-term provisions		
Current portion of long-term employee benefits		
Retirement benefits	54.04	44.93
Other benefits	48.53	18.89
Current taxation (net of advance payment)	269.41	275.49
Fringe benefit tax (net of advance payment)	1.55	1.55
Proposed dividend	4771.91	4148.46
Income tax on proposed dividend	810.99	705.03
TOTAL	5956.43	5194.35
Share of Joint Ventures - Note 28 (ii) (b)	0.04	0.04
GRAND TOTAL	5956.47	5194.39

Notes to the Consolidated Financial Statements

(₹ in Crores)

10. Fixed assets

Gross Block

Particulars	@ As at 31st March, 2012	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	@ As at 31st March, 2013	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	@ As at 31st March, 2014
Tangible assets									
Land									
Freehold*	1276.98	6.29	18.23	0.01	1265.05	41.62	6.77	—	1299.90
Leasehold	227.46	2.62	(16.76)	0.12	246.96	18.09	1.44	0.20	263.81
Buildings									
Freehold	2720.01	1001.92	9.71	0.50	3712.72	313.66	12.15	0.76	4014.99
Licensed Properties - Building Improvement	79.99	11.46	2.49	0.01	88.97	12.70	6.86	0.11	94.92
Plant and Equipment**	9793.73	1756.53	128.50	0.45	11422.21	1328.40	118.94	1.05	12632.72
Furniture and Fixtures	519.19	185.24	14.88	0.07	689.62	50.33	11.17	0.17	728.95
Vehicles	99.79	21.50	11.24	0.02	110.07	21.97	11.57	0.02	120.49
Office Equipment	25.51	4.21	2.69	0.02	27.05	6.20	(0.46)	0.10	33.81
Railway Sidings etc.	1.72	—	—	—	1.72	1.38	1.13	—	1.97
	14744.38	2989.77	170.98	1.20	17564.37	1794.35	169.57	2.41	19191.56
Share of Joint Ventures	64.82	9.96	1.03	—	73.75	0.36	0.02	—	74.09
TOTAL (A)	14809.20	2999.73	172.01	1.20	17638.12	1794.71	169.59	2.41	19265.65
Capital work-in-progress	2350.03	2612.95	2970.50	6.30	1998.78	2715.92	1711.87	29.13	3031.96
Share of Joint Ventures	38.84	3.75	—	—	42.59	6.74	—	—	49.33
TOTAL (B)	2388.87	2616.70	2970.50	6.30	2041.37	2722.66	1711.87	29.13	3081.29
Tangible assets (A+B)	17198.07	5616.43	3142.51	7.50	19679.49	4517.37	1881.46	31.54	22346.94
Intangible assets (acquired)									
Goodwill	4.90	—	—	—	4.90	—	—	—	4.90
Trademarks	6.43	—	—	0.03	6.46	0.01	—	(0.01)	6.46
Computer Software	295.96	24.02	0.19	0.03	319.82	17.12	0.43	0.04	336.55
Know-how, Business and Commercial Rights	88.53	—	—	1.24	89.77	—	—	(0.44)	89.33
	395.82	24.02	0.19	1.30	420.95	17.13	0.43	(0.41)	437.24
Share of Joint Ventures	0.23	0.06	—	—	0.29	0.02	—	—	0.31
TOTAL (C)	396.05	24.08	0.19	1.30	421.24	17.15	0.43	(0.41)	437.55
Intangible assets under development	7.59	28.08	15.01	—	20.66	29.22	13.80	—	36.08
Share of Joint Ventures	—	—	—	—	—	—	—	—	—
TOTAL (D)	7.59	28.08	15.01	—	20.66	29.22	13.80	—	36.08
Intangible assets (C+D)	403.64	52.16	15.20	1.30	441.90	46.37	14.23	(0.41)	473.63

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2014			2014	As at 31st March, 2013			2013
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	1.33	0.41	0.92	0.03	1.33	0.38	0.95	0.04
Plant and Equipment	323.52	192.96	130.56	17.30	310.31	176.53	133.78	12.54
Total	324.85	193.37	131.48	17.33	311.64	176.91	134.73	12.58

Notes to the Consolidated Financial Statements

(₹ in Crores)

10. Fixed assets (contd.)

Particulars	Depreciation and amortisation								Net Book Value			
	Upto 31st March, 2012	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2013	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Tangible assets												
Land												
Freehold*	—	—	—	—	—	—	—	—	—	1299.90	1265.05	1276.98
Leasehold	22.36	1.15	—	0.12	23.63	6.13	0.07	0.20	29.89	233.92	223.33	205.10
Buildings												
Freehold	508.38	70.85	9.70	0.49	570.02	83.74	11.25	0.76	643.27	3371.72	3142.70	2211.63
Licensed Properties - Building Improvement	36.48	14.34	1.86	0.01	48.97	14.92	5.92	0.10	58.07	36.85	40.00	43.51
Plant and Equipment**	4314.05	672.99	104.93	0.41	4882.52	756.58	88.94	0.93	5551.09	7081.63	6539.69	5479.68
Furniture and Fixtures	299.34	43.52	12.23	0.07	330.70	45.80	8.89	0.17	367.78	361.17	358.92	219.85
Vehicles	27.33	10.03	5.84	0.01	31.53	10.97	5.77	0.02	36.75	83.74	78.54	72.46
Office Equipment	11.19	1.55	2.07	0.02	10.69	1.61	2.10	0.07	10.27	23.54	16.36	14.32
Railway Sidings etc.	0.97	0.08	—	—	1.05	0.10	1.04	—	0.11	1.86	0.67	0.75
	5220.10	814.51	136.63	1.13	5899.11	919.85	123.98	2.25	6697.23	12494.33	11665.26	9524.28
Share of Joint Ventures	10.15	1.42	1.01	—	10.56	1.87	0.01	—	12.42	61.67	63.19	54.67
TOTAL (A)	5230.25	815.93	137.64	1.13	5909.67	921.72	123.99	2.25	6709.65	12556.00	11728.45	9578.95
Capital work-in-progress	—	—	—	—	—	—	—	—	—	3031.96	1998.78	2350.03
Share of Joint Ventures	—	—	—	—	—	—	—	—	—	49.33	42.59	38.84
TOTAL (B)	—	—	—	—	—	—	—	—	—	3081.29	2041.37	2388.87
Tangible assets (A+B)	5230.25	815.93	137.64	1.13	5909.67	921.72	123.99	2.25	6709.65	15637.29	13769.82	11967.82
Intangible assets (acquired)												
Goodwill	4.90	—	—	—	4.90	—	—	—	4.90	—	—	—
Trademarks	6.26	0.05	—	0.02	6.33	0.03	—	(0.01)	6.35	0.11	0.13	0.17
Computer Software	197.10	37.54	0.19	0.03	234.48	37.56	0.14	0.04	271.94	64.61	85.34	98.86
Know-how, Business and Commercial Rights	67.61	5.94	—	1.24	74.79	5.94	—	(0.44)	80.29	9.04	14.98	20.92
	275.87	43.53	0.19	1.29	320.50	43.53	0.14	(0.41)	363.48	73.76	100.45	119.95
Share of Joint Ventures	0.17	0.03	—	—	0.20	0.04	—	—	0.24	0.07	0.09	0.06
TOTAL (C)	276.04	43.56	0.19	1.29	320.70	43.57	0.14	(0.41)	363.72	73.83	100.54	120.01
Intangible assets under development	—	—	—	—	—	—	—	—	—	36.08	20.66	7.59
Share of Joint Ventures	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL (D)	—	—	—	—	—	—	—	—	—	36.08	20.66	7.59
Intangible assets (C+D)	276.04	43.56	0.19	1.29	320.70	43.57	0.14	(0.41)	363.72	109.91	121.20	127.60
Provision for assets given on lease	—	—	—	—	—	—	—	—	—	5.67	5.67	5.67
GRAND TOTAL										15741.53	13885.35	12089.75

@ Original Cost / Professional Valuation as at 30th June, 1986 in respect of assets of ITC Limited, as at 31st March, 1987 in respect of Surya Nepal Private Limited and as at 31st March, 1999 in respect of Bay Islands Hotels Limited.

Land Freehold includes the provisional purchase price of ₹ 17.29 Crores (2013 - ₹ 17.29 Crores) in respect of land at Bengaluru. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 21 years time from the date of agreement.

Land Freehold includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2013 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.

Buildings Freehold include ₹ 1007.42 Crores (2013 - ₹ 898.22 Crores), aggregate cost of building on leasehold land situated at various locations.

Trademarks are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 89.33 Crores (2013 - ₹ 89.77 Crores) :-

– ₹ 59.97 Crores (2013 - ₹ 59.97 Crores) acquired in earlier years are being amortised over 10 years.

– ₹ 24.39 Crores (2013 - ₹ 24.83 Crores) acquired in earlier years and have been amortised over 5 years.

– ₹ 4.97 Crores (2013 - ₹ 4.97 Crores) acquired in earlier years and have been amortised over 4 years.

Depreciation for the year includes ₹ 0.37 Crore (2013 - ₹ 0.38 Crore) transferred from Revaluation Reserve in respect of revalued assets.

* Based on the professional valuation, Wimco Limited has revalued a plot of land at Chennai by ₹ 45.87 Crores during 2010-11 and the same has been transferred to revaluation reserve account.

** In respect of assets aggregating to ₹ 18.50 Crores (2013 - ₹ 18.50 Crores), the primary lease period has expired and balances reflected on this account have been fully realised or provided for.

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless otherwise stated)				
Long Term				
A. TRADE INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
In Subsidiaries				
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)		—		—
In Associates				
International Travel House Limited 39,14,233 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 11.89 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014	21.87 56.44	78.31	21.87 49.52	71.39
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.16 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014	1.94 8.68	10.62	1.94 7.89	9.83
ATC Limited 55,650 Equity Shares of ₹ 100.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.16 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014 1,39,125 Equity Shares of ₹ 100.00 each, partly paid Cost of acquisition (including goodwill of ₹ 0.30 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014		0.83 1.06 1.89 2.92 0.96 3.88		0.83 0.91 1.74 2.92 0.71 3.63
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.30 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014		4.27 4.64 8.91		4.27 4.69 8.96
Classic Infrastructure and Development Limited 54,00,000 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 7.78 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014		10.40 0.87 11.27		10.40 0.72 11.12
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.09 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014		6.93 0.14 7.07		6.93 0.11 7.04
Antrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 0.10 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2014		4.40 0.30 4.70		4.40 0.24 4.64
In Others				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Hotel Leelaventure Limited 5,49,80,620 (2013 - 5,47,18,674) Equity Shares of ₹ 2.00 each, fully paid		200.17		199.64
EIH Limited 9,21,78,024 Equity Shares of ₹ 2.00 each, fully paid		440.67		440.67
Ballarpur Industries Limited 11,14,503 (2013 - Nil) Equity Shares of ₹ 10.00 each, fully paid		1.46		—
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		—		—
Carried over	731.24	37.72	721.54	37.13

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless otherwise stated) (Contd.)				
Brought forward	731.24	37.72	721.54	37.13
TRADE INVESTMENTS (Contd.)				
In Others (Contd.)				
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
B. OTHER INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.05		0.05	
Lotus Court Private Limited 2 Class G Shares of ₹ 48000.00 each, fully paid		2.34		2.34
Adyar Property Holding Company Limited 311 Equity Shares of ₹ 100.00 each, partly paid [cost ₹ 43.86 Crores, provided for ₹ 20.67 Crores (2013 - Nil)]		23.19		43.86
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 0.01 Crore, fully provided)		—		—
Bilaspur Cane Development Corporation Limited 100 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 1000.00)	
Prime Golf Ranking Private Limited 150 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 150.00)	
Woodlands Multispeciality Hospital Limited 13,050 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
Government Securities [cost ₹ 74000.00 (2013 - ₹ 76000.00)]		0.01		0.01
Government Securities - National Savings Certificates (cost ₹ 10000.00)	
National Savings Certificate, fully paid (Deposited with Government Authorities) (cost ₹ 5000.00)	
Kisan Vikas Patra, fully paid (Deposited with Government Authorities) (cost ₹ 6000.00)	
National Saving Certificate pledged at Mandi Samiti [cost ₹ 21000.00 (2013 - ₹ 27000.00)]	
Government Securities				
5% Bikash Rinptra, 2071 (Vikram Samvat Calendar Year)		—		5.27
6.5% Bikash Rinptra, 2075 (Vikram Samvat Calendar Year)		1.60		1.60
Aggregate amount of quoted and unquoted investments	731.29	67.23	721.59	92.58
Total Non-current investments		798.52		814.17

Aggregate market value of quoted investments ₹ 847.16 Crores (2013 - ₹ 721.29 Crores).

Aggregate provision for diminution in value ₹ 47.45 Crores (2013 - ₹ 26.78 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
12. Long-term loans and advances				
Capital advances				
Unsecured, considered good		370.82		295.70
Security deposits				
Unsecured, considered good	676.55		594.46	
Doubtful	3.05		2.96	
	679.60		597.42	
Less: Provision for doubtful deposits	3.05	676.55	2.96	594.46
Loans and advances to related parties				
Security deposits - unsecured, considered good	0.35		0.02	
Loans and advances - secured, considered good	4.20		5.60	
Loans and advances - unsecured, considered good	—	4.55	0.25	5.87
Advance tax (net of provisions) - unsecured, considered good		22.12		21.94
Fringe benefit tax (net of provisions) - unsecured, considered good		0.11		0.11
Other loans and advances (Comprise loans to employees, prepaid expenses, advances with statutory authorities etc.)				
Secured, considered good	—		0.47	
Unsecured, considered good	352.80		326.65	
Doubtful	16.75		15.52	
	369.55		342.64	
Less: Provision for doubtful loans and advances	16.75	352.80	15.52	327.12
TOTAL		1426.95		1245.20
Share of Joint Ventures - Note 28 (ii) (b)		1.97		1.10
GRAND TOTAL		1428.92		1246.30

12A. Other non-current assets

Payments towards land/project development - unsecured,
considered good*

	1.24	1.24
TOTAL	1.24	1.24

* Suit for partition of land is pending

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value)				
Investment in Preference Shares				
ICICI Bank Limited 310 Non-Cumulative, Non-Participating, Non-Voting, Preference Shares of ₹ 10000000.00 each, fully paid		185.76		160.94
Investment in Bonds				
India Infrastructure Finance Company Limited Nil (2013 - 43,570) 6.85% Tax Free Bonds of ₹ 100000.00 each, fully paid		—		429.87
Nil (2013 - 3,000) 6.85% Tax Free Bonds of ₹ 100000.00 each, fully paid		—		29.57
Indian Railway Finance Corporation Limited 10,000 6.30% Tax Free Bonds of ₹ 100000.00 each, fully paid		94.95		93.46
10,00,000 7.18% Tax Free Bonds of ₹ 1000.00 each, fully paid	93.47		100.00	
20,00,000 8.23% Tax Free Bonds of ₹ 1000.00 each, fully paid	199.80		—	
4,35,012 8.00% Tax Free Bonds of ₹ 1000.00 each, fully paid	42.90		43.50	
Power Finance Corporation Limited 1,500 8.09% Tax Free Bonds of ₹ 100000.00 each, fully paid		14.87		15.67
1,000 8.01% Tax Free Bonds of ₹ 100000.00 each, fully paid		98.46		—
1,00,000 8.20% Tax Free Bonds of ₹ 1000.00 each, fully paid	9.97		10.53	
12,95,560 8.18% Tax Free Bonds of ₹ 1000.00 each, fully paid	128.95		—	
National Housing Bank 1,03,785 Zero Coupon Bonds 2018 of ₹ 10000.00 each, fully paid		67.39		61.85
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Bhavishya Nirman Bonds 2017 of ₹ 20000.00 each, fully paid		6.05		5.55
1,41,270 Zero Coupon Bhavishya Nirman Bonds 2019 of ₹ 20000.00 each, fully paid		182.79		167.57
National Highways Authority of India 4,94,476 8.20% Tax Free Bonds of ₹ 1000.00 each, fully paid	49.31		49.45	
Rural Electrification Corporation Limited 30,00,000 7.22% Tax Free Bonds of ₹ 1000.00 each, fully paid	281.29		300.00	
1,000 8.01% Tax Free Bonds of ₹ 1000000.00 each, fully paid	98.47		—	
Investment in Government or Trust Securities				
5% Bikash Rinpatra, 2071 (Vikram Samvat Calendar Year)		5.27		—
National Saving Certificate pledged at Mandi Samiti [cost ₹ 8000.00 (2013 - ₹ 13000.00)]	
Investment in Mutual Funds				
Birla Sun Life Fixed Term Plan - Series GO (369 Days) - Growth Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Birla Sun Life Fixed Term Plan - Series GB - Growth (541 Days) 1,50,00,000 Units of ₹ 10.00 each	15.00		15.00	
Birla Sun Life Fixed Term Plan - Series GQ (367 Days) - Growth Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Birla Sun Life Fixed Term Plan - Series HY (368 Days) - Dividend - Payout 2,20,00,000 (2013 - Nil) Units of ₹ 10.00 each	22.00		—	
Birla Sun Life Fixed Term Plan - Series IA (366 Days) - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Birla Sun Life Fixed Term Plan - Series JA (366 Days) - Dividend - Payout 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Birla Sun Life Fixed Term Plan - Series JE (368 Days) - Dividend - Payout 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Fixed Term Plan - Series JL (368 Days) - Dividend - Payout 80,00,000 (2013 - Nil) Units of ₹ 10.00 each	8.00		—	
Birla Sun Life Fixed Term Plan - Series JI (368 Days) - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Birla Sun Life Fixed Term Plan - Series JL (368 Days) - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Birla Sun Life Fixed Term Plan - Series JQ (368 Days) - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Carried over	1069.16	655.54	538.48	964.48

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1069.16	655.54	538.48	964.48
Investment in Mutual Funds (Contd.)				
Birla Sun Life Fixed Term Plan - Series JT (367 Days) - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
Birla Sun Life Fixed Term Plan - Series JY (367 Days) - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Birla Sun Life Fixed Term Plan - Series KC (368 Days) - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Birla Sun Life Fixed Term Plan - Series KK (367 Days) - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Birla Sun Life Fixed Term Plan - Series KM (368 Days) - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Birla Sun Life Floating Rate Long Term - Daily Dividend - Reinvestment 82,46,422 (2013 - 77,01,889) Units of ₹ 100.00 each		82.60		77.14
Birla Sun Life Floating Rate - Long Term Institutional Plan - Daily Dividend - Reinvestment Nil (2013 - 2,92,741) Units of ₹ 100.00 each		—		2.93
Birla Sun Life Interval Income Fund - Annual Plan VIII - Growth 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
Birla Sun Life Interval Income Fund - Annual Plan 2 - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Birla Sun Life Interval Income Fund - Quarterly Plan - Series 1 - Dividend - Payout Nil (2013 - 30,00,000) Units of ₹ 10.00 each	—		3.00	
Birla Sun Life Savings Fund - Daily Dividend - Reinvestment 27,58,038 (2013 - 25,74,992) Units of ₹ 100.00 each		27.61		25.78
Birla Sun Life Savings Fund - Growth 12,32,931 (2013 - 23,17,351) Units of ₹ 100.00 each		26.60		50.00
Birla Sun Life Short Term Fund - Dividend - Payout 5,05,02,285 (2013 - Nil) Units of ₹ 10.00 each		50.50		—
Birla Sun Life Floating Rate Fund Short Term Plan - Growth Nil (2013 - 7,97,683) Units of ₹ 100.00 each	—		12.20	
Birla Sun Life Floating Rate Long Term - Daily Dividend 3,13,438 (2013 - Nil) Units of ₹ 100.00 each		3.14		—
Birla Sun Life Fixed Term Plan - Series FU - Dividend (366 Days) - Payout Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Fixed Term Plan - Series FV - Growth (367 Days) Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Birla Sun Life Fixed Term Plan - Series KV (367 Days) Growth 30,00,000 (2013 - Nil) Units of ₹ 10.00 each	3.00		—	
BNP Paribas Money Plus Fund - Growth Nil (2013 - 5,28,96,512) Units of ₹ 10.00 each		—		71.23
Canara Robeco Treasury Advantage Fund - Daily Dividend 2,21,444 (2013 - 2,07,239) Units of ₹ 1000.00 each		27.47		25.71
Canara Robeco Liquid Fund - Growth Nil (2013 - 1,00,307) Units of ₹ 1000.00 each	—		13.91	
DSP BlackRock Fixed Maturity Plan - Series 93 - 12M - Dividend - Quarterly Payout 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
DSP BlackRock Fixed Maturity Plan - Series 103 - 12M - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
DSP BlackRock Fixed Maturity Plan - Series 81 - 12M - Dividend - Quarterly Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DSP BlackRock Fixed Maturity Plan - Series 82 - 12M - Dividend - Quarterly Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Carried over	1342.16	873.46	682.59	1217.27

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1342.16	873.46	682.59	1217.27
Investment in Mutual Funds (Contd.)				
DSP BlackRock Fixed Maturity Plan - Series 84 - 12M - Growth Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
DSP BlackRock Money Manager Fund - Dividend Nil (2013 - 2,50,691) Units of ₹ 1000.00 each		–		25.07
DSP BlackRock Money Manager Fund - Growth Nil (2013 - 6,50,951) Units of ₹ 1000.00 each		–		100.00
DSP BlackRock Strategic Bond Fund - Institutional Plan - Daily Dividend Nil (2013 - 7,63,250) Units of ₹ 1000.00 each		–		76.86
DSP BlackRock Fixed Maturity Plan - Series 105 - 12M - Dividend - Quarterly Payout 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		–	
DSP BlackRock Fixed Maturity Plan - Series 130 - 12M - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		–	
DSP BlackRock Fixed Maturity Plan - Series 144 - 12M - Growth 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		–	
DSP BlackRock Fixed Maturity Plan - Series 146 - 12M - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		–	
DSP BlackRock Fixed Maturity Plan - Series 147 - 3M - Dividend - Quarterly Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - Series 149 - 12M - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		–	
DSP BlackRock Fixed Maturity Plan - Series 151 - 12M - Growth 5,15,00,000 (2013 - Nil) Units of ₹ 10.00 each	51.50		–	
DSP BlackRock Fixed Maturity Plan - Series 43 - 12M - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
DSP BlackRock Fixed Maturity Plan - Series 87 - 12M - Growth Nil (2013 - 4,00,00,000) Units of ₹ 10.00 each	–		40.00	
DSP BlackRock Fixed Maturity Plan - Series 37 - 13M - Dividend Payout Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	–		20.00	
DSP BlackRock Fixed Maturity Plan - Series 86 - 12M - Growth Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	–		45.00	
DWS Fixed Maturity Plan - Series 18 - Quarterly Dividend Plan - Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
DWS Fixed Maturity Plan - Series 24 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	–		20.00	
DWS Fixed Maturity Plan - Series 24 - Dividend - Plan Nil (2013 - 70,00,000) Units of ₹ 10.00 each	–		7.00	
DWS Fixed Maturity Plan - Series 28 - Dividend - Payout 1,00,00,000 Units of ₹ 10.00 each	10.00		10.00	
DWS Fixed Maturity Plan - Series 31 - Dividend - Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		–	
DWS Fixed Maturity Plan - Series 36 - Dividend - Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		–	
DWS Fixed Maturity Plan - Series 39 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		–	
DWS Fixed Maturity Plan Series 43 - Dividend - Payout 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		–	
DWS Fixed Maturity Plan Series 48 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		–	
DWS Fixed Maturity Plan Series 50 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		–	
DWS Fixed Maturity Plan Series 51 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		–	
DWS Fixed Maturity Plan Series 62 - Growth 30,03,194 (2013 - Nil) Units of ₹ 10.00 each	3.00		–	
Carried over	1646.66	873.46	904.59	1419.20

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1646.66	873.46	904.59	1419.20
Investment in Mutual Funds (Contd.)				
DWS Interval Fund Annual Plan - Series 1 - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
DWS Short Maturity Fund - Quarterly Dividend - Reinvestment Nil (2013 - 7,21,58,034) Units of ₹ 10.00 each	—		75.65	
DWS Treasury Fund - Investment - Quarterly Dividend - Reinvestment 7,60,07,335 (2013 - Nil) Units of ₹ 10.00 each		80.00		—
DWS Ultra Short Term Fund - Institutional Plan - Dividend - Reinvestment Nil (2013 - 10,00,72,130) Units of ₹ 10.00 each	—		100.07	
HDFC Annual Interval Fund Series 1 - Plan A - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Cash Management Fund - Treasury Advantage Plan - Monthly Dividend 6,40,57,080 (2013 - Nil) Units of ₹ 10.00 each		65.00		—
HDFC Fixed Maturity Plan 369D January 2014 (1) Series 29 - Growth 11,00,000 (2013 - Nil) Units of ₹ 10.00 each	1.10		—	
HDFC Fixed Maturity Plan 369D February 2014 (2) Series 29 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
HDFC Fixed Maturity Plan 369D June 2013 (1) Series 26 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
HDFC Fixed Maturity Plan 369D March 2014 (1) Series 29 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
HDFC Fixed Maturity Plan 369D March 2014 (3) Series 29 - Growth 30,00,000 (2013 - Nil) Units of ₹ 10.00 each	3.00		—	
HDFC Fixed Maturity Plan 370D February 2014 (1) Series 29 - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
HDFC Fixed Maturity Plan 370D July 2013 (3) Series 26 - Flexi 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
HDFC Fixed Maturity Plan 371D December 2012 (1) - Growth - Series 23 Nil (2013 - 1,60,00,000) Units of ₹ 10.00 each	—		16.00	
HDFC Fixed Maturity Plan 371D February 2014 (1) Series 29 - Growth 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
HDFC Fixed Maturity Plan 371D February 2014 (2) Series 29 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
HDFC Fixed Maturity Plan 371D November 2012 (1) - Flexi - Series 23 Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 371D November 2012 (2) - Flexi - Series 23 Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 384D March 2013 (1) Series 23 - Flexi 3,00,00,000 Units of ₹ 10.00 each	30.00		30.00	
HDFC Fixed Maturity Plan 566D December 2012 (1) - Flexi - Series 24 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
HDFC Fixed Maturity Plan 372D January 2013 (2) Series 23 - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
HDFC Fixed Maturity Plan 372D January 2013 (3) Series 23 - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
HDFC Floating Rate Income Fund - Short Term Plan - Growth Nil (2013 - 7,76,03,057) Units of ₹ 10.00 each		—		150.22
HDFC Fixed Maturity Plan 371D July 2012 (1) - Quarterly Dividend - Series 22 Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
HDFC Fixed Maturity Plan 371D February 2013 (1) Series 23 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
HDFC Fixed Maturity Plan 372D February 2013 (1) Series 23 - Growth Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
HDFC Fixed Maturity Plan 370D September 2013 (2) Series 27 - Normal Dividend Payout 20,00,000 (2013 - Nil) Units of ₹ 10.00 each	2.00		—	
Carried over	1927.76	1018.46	1321.31	1569.42

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1927.76	1018.46	1321.31	1569.42
Investment in Mutual Funds (Contd.)				
HDFC Short Term Opportunities Fund - Dividend 20,09,13,064 (2013 - Nil) Units of ₹ 10.00 each		202.32		—
ICICI Prudential Banking and PSU Debt Fund - Quarterly Dividend 4,92,90,221 (2013 - Nil) Units of ₹ 10.00 each		50.00		—
ICICI Prudential Blended Plan B - Quarterly Dividend Option - I 3,86,97,174 (2013 - Nil) Units of ₹ 10.00 each		40.30		—
ICICI Prudential Dynamic Bond Fund - Monthly Dividend 4,83,81,900 (2013 - Nil) Units of ₹ 10.00 each		50.22		—
ICICI Prudential Fixed Maturity Plan Series 64 - 367 Days Plan J Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 502 Days Plan C Dividend 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 505 Days Plan J Dividend 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
ICICI Prudential Fixed Maturity Plan Series 66 - 366 Days Plan F Cumulative Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan E Cumulative 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan K Dividend 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
ICICI Prudential Fixed Maturity Plan Series 70 - 368 Days Plan K Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 70 - 372 Days Plan L Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 366 Days Plan C Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 367 Days Plan G Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 368 Days Plan K Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 369 Days Plan E Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
ICICI Prudential Fixed Maturity Plan Series 71 - 371 Days Plan M Cumulative 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan C Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan K Cumulative 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan M Cumulative 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Fixed Maturity Plan Series 72 - 368 Days Plan D Cumulative 3,11,00,000 (2013 - Nil) Units of ₹ 10.00 each	31.10		—	
ICICI Prudential Fixed Maturity Plan Series 72 - Cumulative 10,00,000 (2013 - Nil) Units of ₹ 10.00 each	1.00		—	
ICICI Prudential Fixed Maturity Plan Series 73 - 366 Days Plan A Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan D Cumulative 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan M Cumulative 30,00,000 (2013 - Nil) Units of ₹ 10.00 each	3.00		—	
ICICI Prudential Fixed Maturity Plan Series 65 - 367 Days Plan H Dividend Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
ICICI Prudential Fixed Maturity Plan Series 66 - 368 Days Plan B Cumulative Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
Carried over	2437.86	1361.30	1516.31	1569.42

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2437.86	1361.30	1516.31	1569.42
Investment in Mutual Funds (Contd.)				
ICICI Prudential Fixed Maturity Plan Series 62 - 396 Days Plan F Dividend Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 366 Days Plan I Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 366 Days Plan 1 Cumulative Nil (2013 - 10,00,000) Units of ₹ 10.00 each		—		1.00
ICICI Prudential Fixed Maturity Plan Series 65 - 367 Days Plan B Dividend Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
ICICI Prudential Interval Fund Annual Interval Plan IV - Growth 99,54,739 (2013 - 1,18,66,995) Units of ₹ 10.00 each	15.00		15.00	
ICICI Prudential Interval Fund II Quarterly Interval Plan F - Dividend 1,99,81,417 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
ICICI Prudential Interval Fund IV Quarterly Interval Plan B - Dividend 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Cumulative 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
ICICI Prudential Long Term - Quarterly Dividend Nil (2013 - 5,08,90,196) Units of ₹ 10.00 each		—		50.92
ICICI Prudential Money Market Fund - Daily Dividend 7,93,328 (2013 - Nil) Units of ₹ 100.00 each		7.95		—
ICICI Prudential Money Market Fund - Growth 9,18,485 (2013 - Nil) Units of ₹ 100.00 each		16.19		—
ICICI Prudential Ultra Short Term - Quarterly Dividend 19,40,59,829 (2013 - Nil) Units of ₹ 10.00 each		200.00		—
ICICI Prudential Ultra Short Term - Growth Nil (2013 - 6,56,07,614) Units of ₹ 10.00 each		—		75.00
ICICI Prudential Ultra Short Term Plan - Quarterly Dividend Nil (2013 - 2,51,04,051) Units of ₹ 10.00 each		—		25.10
IDFC Dynamic Bond Fund - Annual Dividend 4,64,29,475 (2013 - Nil) Units of ₹ 10.00 each		50.06		—
IDFC Fixed Maturity Plan 366 Days Series 74 - Periodic - Dividend Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
IDFC Fixed Term Plan Series 24 - Periodic - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
IDFC Fixed Term Plan Series 67 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
IDFC Fixed Term Plan Series 69 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
IDFC Money Manager Fund - Investment Plan - Periodic Dividend 1,02,00,441 (2013 - 4,97,54,525) Units of ₹ 10.00 each		10.25		50.00
JPMorgan India Liquid Fund Super Institutional - Daily Dividend Reinvestment 2,54,69,354 (2013 - 94,90,992) Units of ₹ 10.00 each		25.55		9.51
JPMorgan India Short Term Income Fund - Weekly Dividend Reinvestment Nil (2013 - 7,68,62,273) Units of ₹ 10.00 each		—		77.02
JPMorgan India Treasury Fund Super Institutional Growth Nil (2013 - 9,05,73,539) Units of ₹ 10.00 each	—		116.24	
JPMorgan India Treasury Fund Super Institutional Dividend Payout Nil (2013 - 5,00,77,879) Units of ₹ 10.00 each	—		50.08	
JPMorgan India Fixed Maturity Plan Series 12 - Dividend 6,00,00,000 Units of ₹ 10.00 each	60.00		60.00	
JPMorgan India Fixed Maturity Plan Series 13 - Dividend 5,00,00,000 Units of ₹ 10.00 each	50.00		50.00	
JPMorgan India Fixed Maturity Plan Series 21 - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
Carried over	2732.86	1671.30	1892.63	1857.97

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2732.86	1671.30	1892.63	1857.97
Investment in Mutual Funds (Contd.)				
JPMorgan India Fixed Maturity Plan Series 31 - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
JPMorgan India Fixed Maturity Plan Series 6 - Dividend Payout Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
Kotak Bond Scheme Plan A - Quarterly Dividend 2,30,90,646 (2013 - Nil) Units of ₹ 10.00 each		23.96		—
Kotak Bond (Short Term) - Monthly Dividend Nil (2013 - 12,32,02,476) Units of ₹ 10.00 each		—		125.00
Kotak Bond (Short Term) - Half - Yearly Dividend 2,49,65,867 (2013 - Nil) Units of ₹ 10.00 each		24.98		—
Kotak Fixed Maturity Plan Series 104 - Dividend 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 106 - Dividend 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Kotak Fixed Maturity Plan Series 107 - Dividend 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Kotak Fixed Maturity Plan Series 96 - Growth Nil (2013 - 10,00,000) Units of ₹ 10.00 each		—		1.00
Kotak Fixed Maturity Plan Series 119 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 136 - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Kotak Fixed Maturity Plan Series 137 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 138 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 139 - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Kotak Fixed Maturity Plan Series 143 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 144 - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Kotak Fixed Maturity Plan Series 99 - Dividend 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
Kotak Flexi Debt Scheme Plan A - Growth Nil (2013 - 5,37,02,616) Units of ₹ 10.00 each	—		75.00	
Kotak Flexi Debt Plan A - Quarterly Dividend Nil (2013 - 2,51,23,350) Units of ₹ 10.00 each	—		25.14	
Kotak Floater Short Term - Daily Dividend Reinvestment Nil (2013 - 6,551) Units of ₹ 1000.00 each		—		0.66
Kotak Floater Short Term - Growth 4,303 (2013 - 78,295) Units of ₹ 1000.00 each		0.82		15.00
Kotak Floater Long Term - Growth Nil (2013 - 10,45,70,180) Units of ₹ 10.00 each	—		150.00	
Kotak Fixed Maturity Plan Series 94 - Growth Nil (2013 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
LIC Nomura Mutual Fund Fixed Maturity Plan Series 73 - 366 Days - Dividend Plan 80,00,000 (2013 - Nil) Units of ₹ 10.00 each	8.00		—	
L&T Fixed Maturity Plan Series 9 - Plan D - Dividend Payout 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Reliance Dynamic Bond Fund - Quarterly Dividend Plan Reinvestment 2,40,51,908 (2013 - Nil) Units of ₹ 10.00 each		24.51		—
Reliance Fixed Horizon Fund - XXII - Series 14 - Dividend Plan Dividend Payout Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Carried over	2965.86	1745.57	2242.77	1999.63

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	2965.86	1745.57	2242.77	1999.63
Investment in Mutual Funds (Contd.)				
Reliance Fixed Horizon Fund - XXII - Series 21 - Dividend Plan Dividend Payout 2,00,00,000 Units of ₹ 10.00 each	20.00		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 1 - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Reliance Fixed Horizon Fund - XXII - Series 10 - Dividend Plan Dividend Payout Nil (2013 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Reliance Fixed Horizon Fund - XXIV - Series 18 - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
Reliance Fixed Horizon Fund - XXIV - Series 3 - Dividend Plan Dividend Payout 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
Reliance Fixed Horizon Fund - XXV - Series 14 Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Reliance Fixed Horizon Fund - XXV - Series 18 - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
Reliance Fixed Horizon Fund - XXV - Series 2 - Dividend Plan Dividend Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXV - Series 4 - Dividend Plan Dividend Payout 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXIII - Series 6 - Growth Plan Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
Reliance Floating Rate Fund - Short Term Plan - Dividend Plan Dividend Payout 15,25,73,567 (2013 - Nil) Units of ₹ 10.00 each		152.57		—
Reliance Floating Rate Fund - Short Term Plan - Quarterly Dividend Plan Reinvestment Nil (2013 - 5,06,22,289) Units of ₹ 10.00 each		—		51.32
Reliance Interval Fund - Quarterly Plan - Series I - Dividend Plan Dividend Payout 3,99,15,379 (2013 - Nil) Units of ₹ 10.00 each	40.00		—	
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option 1,04,769 (2013 - Nil) Units of ₹ 1000.00 each		16.02		—
Reliance Liquid Fund - Treasury Plan - Daily Dividend Reinvestment Option 24,530 (2013 - Nil) Units of ₹ 1000.00 each		3.75		—
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Nil (2013 - 64,423) Units of ₹ 1000.00 each		—		9.85
Reliance Liquid Fund Treasury Plan - Growth Plan Nil (2013 - 55,572) Units of ₹ 1000.00 each	—		15.49	
Reliance Liquidity Fund - Daily Dividend Reinvestment 1,90,371 (2013 - Nil) Units of ₹ 1000.00 each		19.04		—
Reliance Liquidity Fund - Growth Plan - Growth Option 81,282 (2013 - Nil) Units of ₹ 1000.00 each		15.60		—
Reliance Liquidity Fund - Daily Dividend Reinvestment Option 96,429 (2013 - Nil) Units of ₹ 1000.00 each		9.64		—
Reliance Liquid Fund Treasury Plan Daily Dividend Reinvestment 8,037 (2013 - 98,049) Units of ₹ 1000.00 each		0.80		9.86
Reliance Medium Term Fund - Quarterly Dividend Plan Dividend Reinvestment Nil (2013 - 4,80,38,202) Units of ₹ 10.00 each		—		52.84
Reliance Medium Term Fund - Dividend Plan Dividend Payout 5,58,13,715 (2013 - Nil) Units of ₹ 10.00 each		55.81		—
Reliance Money Manager Fund - Growth Plan Growth Option Nil (2013 - 2,18,184) Units of ₹ 1000.00 each		—		26.66
Reliance Quarterly Interval Fund - Series II - Dividend Plan Dividend Payout 2,99,58,657 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Reliance Short Term Fund - Dividend Plan Dividend Payout 5,09,50,204 (2013 - Nil) Units of ₹ 10.00 each		51.45		—
Reliance Short Term Fund - Quarterly Dividend Plan Dividend Reinvestment Nil (2013 - 3,78,70,452) Units of ₹ 10.00 each		—		52.25
Carried over	3220.86	2070.25	2318.26	2202.41

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	3220.86	2070.25	2318.26	2202.41
Investment in Mutual Funds (Contd.)				
Reliance Yearly Interval Fund - Series 1 - Growth Plan 9,19,23,593 (2013 - Nil) Units of ₹ 10.00 each	100.00		—	
Reliance Yearly Interval Fund - Series 2 - Growth Plan 9,16,64,070 (2013 - Nil) Units of ₹ 10.00 each	100.00		—	
Reliance Yearly Interval Fund - Series 2 - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
Reliance Yearly Interval Fund - Series 3 - Growth Plan Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Reliance Yearly Interval Fund - Series 8 - Dividend Plan Dividend Payout 5,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	50.00		—	
SBI Debt Fund Series - 366 Days 30 - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
SBI Debt Fund Series - 366 Days 31 - Dividend 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
SBI Debt Fund Series - 366 Days 47 - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
SBI Debt Fund Series - 366 Days 52 - Dividend 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
SBI Debt Fund Series - 366 Days 20 - Dividend Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
SBI Debt Fund Series - 366 Days 22 - Growth Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
SBI Debt Fund Series - 366 Days 7 - Dividend Nil (2013 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
SBI Debt Fund Series - 366 Days 18 - Dividend Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
SBI Short Term Debt Fund - Fortnightly Dividend 4,98,78,389 (2013 - Nil) Units of ₹ 10.00 each		50.97		—
Sundaram Fixed Term Plan DC 15 Months Dividend Payout 1,50,00,000 Units of ₹ 10.00 each	15.00		15.00	
Sundaram Fixed Term Plan EW 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan EY 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan FB 369 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
Sundaram Fixed Term Plan FF 366 Days Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 42 Scheme I - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 45 Scheme C - Dividend 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
TATA Fixed Maturity Plan Series 45 Scheme D - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
TATA Fixed Maturity Plan Series 45 Scheme E - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 46 Scheme A - Dividend 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
TATA Fixed Maturity Plan Series 46 Scheme B - Dividend 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 46 Scheme I - Growth 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
TATA Fixed Maturity Plan Series 46 Scheme L - Growth 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
Carried over	3795.86	2121.22	2523.26	2202.41

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	3795.86	2121.22	2523.26	2202.41
Investment in Mutual Funds (Contd.)				
TATA Fixed Maturity Plan Series 46 Scheme P - Growth 1,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	15.00		—	
TATA Fixed Maturity Plan Series 47 Scheme B Growth 30,00,000 (2013 - Nil) Units of ₹ 10.00 each	3.00		—	
TATA Fixed Maturity Plan Series 46 Scheme S - Growth 1,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
TATA Fixed Maturity Plan Series 42 Scheme A - Growth Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
UTI - Fixed Income Interval Fund - Annual Interval Plan Series - II Growth Plan 60,59,504 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
UTI - Fixed Income Interval Fund - IV - Annual Interval Plan - Growth 61,89,268 (2013 - Nil) Units of ₹ 10.00 each	10.00		—	
UTI - Floating Rate Fund - Short Term Plan - Growth 10,52,280 (2013 - Nil) Units of ₹ 1000.00 each		209.00		—
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option Nil (2013 - 2,48,309) Units of ₹ 1000.00 each		—		25.00
UTI - Short Term Income Fund - Institutional Option - Flexi Dividend Payout 5,06,50,712 (2013 - Nil) Units of ₹ 10.00 each		50.65		—
UTI Fixed Term Income Fund Series XIII - III (549 Days) - Quarterly Dividend Payout 2,50,00,000 Units of ₹ 10.00 each	25.00		25.00	
UTI Fixed Term Income Fund Series XIV - II (366 Days) - Growth Plan Nil (2013 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
UTI Fixed Term Income Fund Series XIV - V (366 Days) - Growth Nil (2013 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XIV - VII (367 Days) - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
UTI Fixed Term Income Fund Series XV - VI (368 Days) - Growth Plan 3,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	30.00		—	
UTI Fixed Term Income Fund Series XV - VII (369 Days) - Growth Plan 3,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	35.00		—	
UTI Fixed Term Income Fund Series XVI - VII (366 Days) - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
UTI Fixed Term Income Fund Series XVII - I (369 Days) - Flexi Dividend Payout 4,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	45.00		—	
UTI Fixed Term Income Fund Series XVII - II (369 Days) - Flexi Dividend Payout 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XVII - X (367 Days) - Growth Plan 2,00,00,000 (2013 - Nil) Units of ₹ 10.00 each	20.00		—	
UTI Fixed Term Income Fund Series XVII - XIII (369 Days) - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XVII - XVI (367 Days) - Growth Plan 2,50,00,000 (2013 - Nil) Units of ₹ 10.00 each	25.00		—	
UTI Fixed Term Income Fund Series XIII - I (368 Days) - Quarterly Dividend Payout Nil (2013 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
UTI Fixed Term Income Fund Series XIV - I (366 Days) - Growth Plan Nil (2013 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
UTI - Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment Nil (2013 - 18,68,048) Units of ₹ 1000.00 each		—		201.17
Aggregate amount of quoted and unquoted investments	4093.86	2380.87	2733.26	2428.58
Total Current investments		6474.73		5161.84
Share of Joint Ventures - Note 28 (ii) (b)	0.19	10.58	0.19	5.08
		10.77		5.27
GRAND TOTAL		6485.50		5167.11

Aggregate market value of quoted investments ₹ 4248.28 Crores (2013 - ₹ 2859.31 Crores).

Aggregate excess of cost over fair value ₹ 177.96 Crores (2013 - ₹ 179.44 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
14. Inventories		
(At lower of cost and net realisable value)		
Stocks and shares	630.43	651.85
Raw materials (including packing materials)	4641.13	3640.28
Work-in-progress	147.71	166.00
Finished goods (manufactured)	2130.74	2443.01
Stock-in-trade (goods purchased for resale)	301.48	231.58
Stores and Spares	296.60	286.24
Intermediates - Tissue paper and Paperboards	75.29	75.55
TOTAL	8223.38	7494.51
Share of Joint Ventures - Note 28 (ii) (b)	31.86	27.58
GRAND TOTAL	8255.24	7522.09

15. Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	1.26		1.35	
Unsecured, considered good	49.53		32.12	
Doubtful	66.96		55.63	
	117.75		89.10	
Less: Provision for doubtful receivables	66.96	50.79	55.63	33.47
Others				
Secured, considered good	24.23		20.98	
Unsecured, considered good	2358.53		1339.78	
Doubtful	5.26		0.08	
	2388.02		1360.84	
Less: Provision for doubtful receivables	5.26	2382.76	0.08	1360.76
TOTAL		2433.55		1394.23
Share of Joint Ventures - Note 28 (ii) (b)		5.66		1.53
GRAND TOTAL		2439.21		1395.76

Notes to the Consolidated Financial Statements

	As at 31st March, 2014 (₹ in Crores)		As at 31st March, 2013 (₹ in Crores)	
16. Cash and bank balances				
Cash and cash equivalents [®]				
Balances with Banks				
Current accounts	234.02		211.60	
Deposit accounts	2.59		89.74	
Cheques, drafts on hand	15.19		8.49	
Cash on hand	3.04	254.84	3.71	313.54
Other bank balances				
Earmarked balances	113.67		96.31	
In deposit accounts*	3120.90	3234.57	3417.56	3513.87
TOTAL		3489.41		3827.41
Share of Joint Ventures - Note 28 (ii) (b) [®]		0.78		0.89
GRAND TOTAL		3490.19		3828.30

[®] Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

* Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 400.84 Crores (2013 - ₹ 315.41 Crores).

17. Short-term loans and advances				
Unsecured, considered good unless otherwise stated				
Loans and advances to related parties				
Security deposits	0.10		0.44	
Loans and advances				
Secured, considered good	1.40		1.40	
Unsecured, considered good	11.92	13.42	0.02	1.86
Others				
With Statutory authorities		522.30		285.73
Commercial advances and deposits				
Secured, considered good	4.50		4.50	
Unsecured, considered good	181.80	186.30	171.69	176.19
Other loans and advances (Employees, unexpired expenses etc.)				
Secured, considered good	0.52		0.41	
Unsecured, considered good	93.02	93.54	64.83	65.24
TOTAL		815.56		529.02
Share of Joint Ventures - Note 28 (ii) (b)		0.64		0.59
GRAND TOTAL		816.20		529.61

18. Other current assets				
Interest accrued on loans, deposits etc.		73.13		64.96
Interest accrued on investments		33.13		20.04
Deposits with financial institutions		750.00		425.00
Others*				
Unsecured, considered good	238.46		112.83	
Doubtful	1.05		0.80	
	239.51		113.63	
Less: Provision for doubtful assets	1.05	238.46	0.80	112.83
TOTAL		1094.72		622.83
Share of Joint Ventures - Note 28 (ii) (b)	
GRAND TOTAL		1094.72		622.83

* Others comprise receivables on account of export incentives, claims, interest, rentals etc.

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
19. Gross income		
Gross Revenue from sale of products and services*	49235.18	43903.34
Other operating revenue	331.10	303.56
Other income	970.69	876.79
TOTAL	50536.97	45083.69
Share of Joint Ventures - Note 28 (ii) (b)	13.64	18.76
GRAND TOTAL	50550.61	45102.45

* Net of sales returns and damaged stocks.

20. Revenue from operations		
Sale of products [Includes share of Joint Ventures ₹ 10.61 Crores (2013 - ₹ 15.92 Crores)]	46895.73	41888.79
Sale of services [Includes share of Joint Ventures ₹ 1.49 Crores (2013 - ₹ 1.50 Crores)]	2351.55	2031.97
Gross Revenue from sale of products and services*	49247.28	43920.76
Other operating revenue [Includes share of Joint Ventures ₹ 1.28 Crores (2013 - ₹ 0.53 Crore)]	332.38	304.09
	49579.66	44224.85
Less: Excise duty attributable to products sold [Includes share of Joint Ventures ₹ 1.25 Crores (2013 - ₹ 0.99 Crore)]	14262.58	12597.31
TOTAL	35317.08	31627.54

* Net of sales returns and damaged stocks.

21. Other income		
Interest income	415.97	342.60
Dividend income		
– Long-term investments	9.64	14.52
– Current investments	179.66	231.67
Gain on sale of long-term investments	0.35	121.62
Net gain on sale of current investments	330.76	146.14
Other non-operating income	34.31	20.24
TOTAL	970.69	876.79
Share of Joint Ventures - Note 28 (ii) (b)	0.26	0.81
GRAND TOTAL	970.95	877.60

Interest income comprises interest from:

a) Deposits with Banks/Financial Institutions	267.83	237.02
b) Current investments	116.28	72.75
c) Others (from customers, statutory authorities etc.)	31.86	32.83

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)		
22. Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and Intermediates						
Finished goods (manufactured)						
Opening stock	2443.01			1566.06		
Closing stock	<u>2130.74</u>	312.27		<u>2443.01</u>	(876.95)	
Work-in-progress						
Opening stock	166.00			111.09		
Closing stock	<u>147.71</u>	18.29		<u>166.00</u>	(54.91)	
Intermediates - Tissue paper and Paperboards						
Opening stock	75.55			79.67		
Closing stock	<u>75.29</u>	0.26		<u>75.55</u>	4.12	
Stock-in-Trade (goods purchased for resale)						
Opening stock	231.58			213.41		
Closing stock	<u>301.48</u>	<u>(69.90)</u>	260.92	<u>231.58</u>	<u>(18.17)</u>	(945.91)
Excise duties on increase/(decrease) of finished goods			<u>(373.58)</u>			689.15
TOTAL			<u>(112.66)</u>			<u>(256.76)</u>
Share of Joint Ventures - Note 28 (ii) (b)			(0.08)			(0.08)
GRAND TOTAL			<u>(112.74)</u>			<u>(256.84)</u>
23. Employee benefits expense						
Salaries and wages			2181.82			1831.81
Contribution to Provident and other funds			170.21			171.84
Staff welfare expenses			174.51			159.53
			<u>2526.54</u>			<u>2163.18</u>
Less: Recoveries made/reimbursements received			25.42			20.37
TOTAL			<u>2501.12</u>			<u>2142.81</u>
Share of Joint Ventures - Note 28 (ii) (b)			3.12			2.82
GRAND TOTAL			<u>2504.24</u>			<u>2145.63</u>
24. Finance costs						
Interest expense [Refer Note 28 (ix)]			6.16			66.66
Applicable net loss on foreign currency transactions and translations			—			20.50
TOTAL			<u>6.16</u>			<u>87.16</u>
Share of Joint Ventures - Note 28 (ii) (b)			0.21			0.02
GRAND TOTAL			<u>6.37</u>			<u>87.18</u>

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
25. Other expenses		
Power and fuel	644.96	579.98
Consumption of stores and spare parts	244.80	227.25
Contract processing charges	741.15	609.57
Rent [Refer Note 28 (v)]	266.04	253.11
Rates and taxes [Refer Note 28 (ix)]	235.67	432.37
Insurance	61.71	49.25
Repairs		
– Buildings	55.28	52.98
– Machinery	171.82	146.99
– Others	46.84	37.37
Maintenance and upkeep	135.68	139.51
Outward freight and handling charges	786.04	891.79
Warehousing charges	103.17	71.02
Advertising/ Sales promotion	825.81	834.23
Market research	57.85	65.97
Design and product development	43.59	27.07
Hotel reservation/Marketing expenses	29.41	29.35
Retail accessories	160.00	185.38
Brokerage and discount - sales	10.65	9.21
Commission to selling agents	36.28	34.00
Doubtful and bad debts	20.34	9.66
Doubtful and bad advances, loans and deposits	0.81	0.35
Provision for standard assets	–	0.06
Provision on Long - term investments	20.67	–
Impairment of Goodwill on consolidation	15.17	9.35
Bank and credit card charges	22.80	20.95
Information technology services	122.58	100.72
Travelling and conveyance	317.70	290.87
Training and development	26.54	27.60
Legal expenses	24.58	15.79
Consultancy/Professional fees	199.80	174.63
Postage, telephone etc.	35.76	35.29
Printing and stationery	18.02	16.21
Net loss/(gain) on foreign currency transactions and translations	91.68	(9.52)
Excess of carrying cost over fair value of current investments/ Stocks and shares - Net	8.21	–
Excess of cost of current investments over fair value, reversed - Net	–	(25.80)
Loss on sale of fixed assets - Net	5.21	25.29
Loss on sale of stores and spare parts - Net	0.86	1.88
Miscellaneous expenses	927.02	804.62
TOTAL	6514.50	6174.35
Share of Joint Ventures - Note 28 (ii) (b)	6.16	15.01
GRAND TOTAL	6520.66	6189.36

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2014 (₹ in Crores)	For the year ended 31st March, 2013 (₹ in Crores)
26. Current tax		
Income tax for the year	4130.95	3139.49
Adjustments/(credits) related to previous years - Net	(145.67)	(54.44)
TOTAL	3985.28	3085.05
Share of Joint Ventures - Note 28 (ii) (b)	3.59	3.00
GRAND TOTAL	3988.87	3088.05
27. Deferred tax		
Deferred tax for the year	15.30	282.52
Adjustments/(credits) related to previous years - Net	56.93	41.20
TOTAL	72.23	323.72
Share of Joint Ventures - Note 28 (ii) (b)	(0.17)	0.30
GRAND TOTAL	72.06	324.02

28. Additional Notes to the Consolidated Financial Statements

(i) Earnings per share:

Earnings per share have been computed as under:

- (a) Profit for the year (₹ in Crores)
- (b) Weighted average number of Ordinary shares outstanding
- (c) Effect of potential Ordinary shares on Employee Stock Options outstanding
- (d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]
- (e) Earnings per share on profit for the year
(Face Value ₹ 1.00 per share)
 - Basic [(a)/(b)]
 - Diluted [(a)/(d)]

	2014	2013
	8891.38	7608.07
	7,92,13,66,964	7,85,30,72,892
	9,40,71,139	10,20,78,850
	8,01,54,38,103	7,95,51,51,742
	₹ 11.22	₹ 9.69
	₹ 11.09	₹ 9.56

(ii) (a) The subsidiaries (which alongwith ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2014	Percentage of ownership interest as at 31st March, 2013
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
Surya Nepal Private Limited	Nepal	59	59
Landbase India Limited	India	100	100
BFIL Finance Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of BFIL Finance Limited)	India	100	100
Russell Credit Limited	India	100	100

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2014	Percentage of ownership interest as at 31st March, 2013
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited	India	98.21	98.21
Prag Agro Farm Limited (a 100% subsidiary of Wimco Limited)	India	98.21	98.21
Pavan Poplar Limited (a 100% subsidiary of Wimco Limited)	India	98.21	98.21
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Agri Sciences Limited (a 100% subsidiary of Technico Pty Limited)	India	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Pyxis Solutions, LLC (a 100% subsidiary of ITC Infotech (USA), Inc.)	USA	100	100
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing, Inc.	USA	100	100
WelcomHotels Lanka (Private) Limited	Sri Lanka	100	100
ITC Investments & Holdings Limited	India	100	100
North East Nutrients Private Limited*	India	76	–

* With effect from 6th February, 2014.

ITC Global Holdings Pte. Limited, Singapore (a wholly owned subsidiary of ITC Limited), in liquidation, has not been considered in the preparation of these Consolidated Financial Statements.

The financial statements of all subsidiaries, considered in the Consolidated Accounts, are drawn upto 31st March other than for Surya Nepal Private Limited where it is upto 14th March.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(b) Interests in Joint Ventures:

The Group's interests in jointly controlled entities (incorporated Joint Ventures) are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2014	Percentage of ownership interest as at 31st March, 2013
Maharaja Heritage Resorts Limited	India	50	50
Espirit Hotels Private Limited	India	26	26
Logix Developers Private Limited	India	26	26
ITC Essentra Limited (formerly known as ITC Filtrona Limited) (a joint venture of Gold Flake Corporation Limited)	India	50	50

The Group's interests in jointly controlled operations:

Technico Technologies Inc., Canada has entered into a farming arrangement with Shamrock Seed Potato Farm Limited for production and sale of Early Generation seed potatoes. The participating share of Technico Technologies Inc., Canada is 35% (2013 – 35%).

The financial statements of the Joint Ventures, considered in the Consolidated Accounts, are drawn upto 31st March other than for ITC Essentra Limited where it is upto 31st December.

(c) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2014	Percentage of ownership interest as at 31st March, 2013
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited	India	47.50	47.50
Classic Infrastructure and Development Limited	India	42.35	42.35

The financial statements of all Associates, considered in the Consolidated Accounts, are drawn upto 31st March.

During the year, the Group has received dividends aggregating ₹ 2.27 Crores (2013 - ₹ 2.23 Crores) in respect of the investments in associates.

- (d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements", Accounting Standard - 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard - 27 (AS 27) on "Financial Reporting of Interests in Joint Ventures" by each of the included entities.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(iii) (a) Claims against the Group not acknowledged as debts, are ₹ 445.15 Crores (2013 - ₹ 545.66 Crores). These comprise:

- Excise duty, Sales taxes and other Indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 265.48 Crores (2013 - ₹ 389.43 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 65.69 Crores (2013 - ₹ 50.55 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 41.95 Crores (2013 - ₹ 43.62 Crores).
- Other matters aggregating ₹ 72.03 Crores (2013 - ₹ 62.06 Crores).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. The basis for all these SCNs and demands is an untenable contention by the Revenue Authorities that SNPL could have produced more cigarettes than it has actually produced in a given year, by applying an input-output ratio allegedly submitted by SNPL in the year 1990-91 and, that, SNPL is liable to pay taxes on such cigarettes that could have been theoretically produced and sold. This, despite the fact that SNPL's cigarette factory is under 'physical control' of the Revenue Authorities and cigarettes produced are duly accounted for and certified as such by the Revenue Authorities.

The above basis of theoretical production has been rejected by the Supreme Court of Nepal vide its orders dated 29th October, 2009 and 1st April, 2010. In the said order of the Supreme Court of Nepal dated 1st April, 2010, the Excise demands (for the financial years 1998-99 to 2002-03) and Income tax demands (for the financial year 2001-02) were set aside. Citing the aforesaid decisions of the Supreme Court of Nepal, the Inland Revenue Department has, on 11th February, 2011 and 12th August, 2013 decided the following administrative review petitions in favour of SNPL relating to theoretical production:

- (i) Value Added Tax – ₹ 11.88 Crores [Nepalese Rupee (NRs.) 19.01 Crores] for the financial year 2001-02 and 2007-08.
- (ii) Income Tax – ₹ 3.07 Crores (NRs. 4.91 Crores) for the financial year 2005-06.

SNPL's counsel appearing in the matter has opined that the verdict of the Supreme Court of Nepal dated 29th October, 2009, which was delivered by a Full Bench of the Supreme Court of Nepal, will add substantial strength to SNPL's case in all the other matters relating to the issue of theoretical production.

Following is the status of pending demands and Show Cause Notices received from the Revenue Authorities based on similar untenable contention:

(i) Excise Demands and Show Cause Notices

1. Excise demand letter dated 22nd February, 2008 for ₹ 9.34 Crores (NRs. 14.95 Crores) relating to the financial years 2003-04 to 2005-06. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 2nd April, 2008 and it has issued Show Cause Notices to the respondents.
2. Excise demand letter dated 30th November, 2008 for ₹ 8.03 Crores (NRs. 12.85 Crores) relating to the financial year 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 6th January, 2009 and it has issued Show Cause Notices to the respondents.
3. Show Cause Notice dated 19th January, 2010 seeking to demand ₹ 12.28 Crores (NRs. 19.65 Crores) by way of Excise Duty for the financial year 2007-08. SNPL's writ petition challenging the Notice was admitted by the Supreme Court of Nepal. On 7th March, 2010, the Supreme Court of Nepal issued interim order directing Inland Revenue Department not to raise demand, pending final disposal of the writ petition.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(ii) Value Added Tax (VAT) Demands

1. VAT demand letter dated 8th August, 2007 for ₹ 3.58 Crores (NRs. 5.72 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. VAT demand letter dated 5th August, 2008 for ₹ 0.67 Crore (NRs. 1.07 Crores) relating to the financial year 2003-04. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 5th September, 2008 and it has issued Show Cause Notices to the respondents.
3. VAT demand letter dated 10th July, 2009 for ₹ 6.69 Crores (NRs. 10.70 Crores) relating to the financial years 2004-05 to 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 9th August, 2009 and it has issued Show Cause Notices to the respondents.

(iii) Income Tax Demands

1. Income Tax demand letter dated 12th August, 2007 for ₹ 12.26 Crores (NRs. 19.61 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. Income Tax demand letter dated 15th September, 2008 for the financial year 2003-04. Out of a total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of the demand for ₹ 1.19 Crores (NRs. 1.91 Crores) is on theoretical production. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 8th December, 2008 and it has issued Show Cause Notices to the respondents.
3. Income Tax demand letter dated 16th October, 2009 for the financial year 2004-05. Out of a total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of the demand for ₹ 1.35 Crores (NRs. 2.16 Crores) is on theoretical production. SNPL has filed an administrative review petition before the Director General, Inland Revenue Department on 18th December, 2009. The Director General without dealing with the issues raised by SNPL, summarily dismissed the petition by an order dated 2nd March, 2010. SNPL thereafter filed an appeal before the Revenue Tribunal, on 17th June, 2010. The Revenue Tribunal, vide its order dated 9th July, 2012 (received by SNPL on 2nd November, 2012), has directed Director General, Inland Revenue Department to reassess the case, which is pending.

SNPL considers that all the demands and show cause notice listed above have no legal or factual basis. Accordingly, SNPL is of the view that there is no liability that is likely to arise, particularly in the light of the decisions in favour of SNPL by the Supreme Court of Nepal and the Inland Revenue Department.

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

- (b) Uncalled liability on shares partly paid ₹ 1.25 Crores (2013 - ₹ 1.25 Crores).
- (c) Commitments: Estimated amount of contracts remaining to be executed on capital accounts and not provided for, including share of joint venture ₹ 8.89 Crores (2013 - ₹ 8.77 Crores), are ₹ 1660.97 Crores (2013 - ₹ 1833.39 Crores).
- (iv) Research and Development expenses for the year amount to ₹ 117.26 Crores (2013 - ₹ 109.29 Crores).

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

- (v) The Group's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as "Rent" under Note 25.

With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows :

	As at 31st March, 2014 (₹ in Crores)	As at 31st March, 2013 (₹ in Crores)
Not later than one year	21.47	16.42
Later than one year and not later than five years	14.62	16.54
Later than five years	1.55	1.54

- (vi) The Group has adopted Accounting Standard - 15 (AS 15) on "Employee Benefits". These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
I	Components of Employer Expense						
1	Current Service Cost	42.73	25.65	7.01	41.12	22.23	6.17
2	Interest Cost	52.50	22.06	7.62	42.94	17.49	5.75
3	Expected Return on Plan Assets	(54.90)	(21.78)	—	(46.06)	(19.09)	—
4	Curtailment Cost/(Credit)	—	—	—	—	—	—
5	Settlement Cost/(Credit)	—	—	—	—	—	—
6	Past Service Cost	—	—	—	—	—	—
7	Actuarial Losses/(Gains)	(7.01)	0.78	3.78	18.00	7.91	7.32
8	Total expense recognised in the Statement of Profit and Loss	33.32	26.71	18.41	56.00	28.54	19.24

The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 23.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

		For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
II	Actual Returns	38.02	19.04	—	61.31	23.41	—
III	Net Asset/ (Liability) recognised in Balance Sheet						
	1 Present Value of Defined Benefit Obligation	600.02	276.08	90.66	638.09	258.32	82.10
	2 Fair Value of Plan Assets	601.39	243.75	—	618.55	242.07	—
	3 Status [Surplus/(Deficit)]	1.37	(32.33)	(90.66)	(19.54)	(16.25)	(82.10)
	4 Unrecognised Past Service Cost	—	—	—	—	—	—
	5 Net Asset/(Liability) recognised in Balance Sheet	1.37	(32.33)	(90.66)	(19.54)	(16.25)	(82.10)
	— Current	3.34	(32.23)	(12.89)	(17.57)	(16.25)	(11.11)
	— Non-Current	(1.97)	(0.10)	(77.77)	(1.97)	—	(70.99)
IV	Change in Defined Benefit Obligations (DBO)						
	1 Present Value of DBO at the Beginning of the year	638.09	258.32	82.10	552.53	229.80	70.06
	2 Current Service Cost	42.73	25.65	7.01	41.12	22.23	6.17
	3 Interest Cost	52.50	22.06	7.62	42.94	17.49	5.75
	4 Curtailment Cost/(Credit)	—	—	—	—	—	—
	5 Settlement Cost/(Credit)	—	—	—	—	—	—
	6 Past Service Cost	—	—	—	—	—	—
	7 Plan Amendments	—	—	—	—	—	—
	8 Acquisitions	—	—	—	—	—	—
	9 Actuarial (Gains)/Losses	(23.89)	(1.96)	3.78	33.25	12.23	7.32
	10 Benefits Paid	(109.41)	(27.99)	(9.85)	(31.75)	(23.43)	(7.20)
	11 Present Value of DBO at the end of the year	600.02	276.08	90.66	638.09	258.32	82.10
V	Best Estimate of Employer's Expected Contribution for the next year	67.85	30.27	—	57.64	40.89	—
VI	Change in Fair Value of Assets						
	1 Plan Assets at Beginning of the year	618.55	242.07	—	533.14	233.63	—
	2 Acquisition Adjustment	—	—	—	—	—	—
	3 Expected Return on Plan Assets	54.90	21.78	—	46.06	19.09	—
	4 Actuarial Gains/(Losses)	(16.88)	(2.74)	—	15.25	4.32	—
	5 Actual Company Contributions	54.23	10.63	0.52	55.85	8.46	1.59
	6 Benefits Paid	(109.41)	(27.99)	(0.52)	(31.75)	(23.43)	(1.59)
	7 Plan Assets at the end of the year	601.39	243.75	—	618.55	242.07	—
VII	Actuarial Assumptions						
	1 Discount Rate (%)	9.00	9.00	9.00	8.00	8.00	8.00
	2 Expected Return on Plan Assets (%)	9.00	7.62 - 9.25	—	8.00	8.00 - 9.15	—

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2014	As at 31st March, 2013
1	Government Securities/Special Deposit with RBI	32.95%	28.83%
2	High Quality Corporate Bonds	26.63%	25.35%
3	Insurer Managed Funds*	29.34%	35.86%
4	Mutual Funds	2.26%	1.98%
5	Cash and Cash Equivalents	4.97%	5.10%
6	Term Deposits	3.50%	2.58%
7	Equity	0.35%	0.30%

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

IX	Basis used to determine the Expected Rate of Return on Plan Assets
	The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

X	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)	For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)			For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)			For the year ended 31st March, 2010 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	600.02	276.08	90.66	638.09	258.32	82.10	552.53	229.80	70.06	499.99	201.29	65.48	442.61	180.39	55.12
2	Fair Value of Plan Assets	601.39	243.75	–	618.55	242.07	–	533.14	233.63	–	492.05	222.71	–	412.49	203.78	–
3	Status [Surplus/(Deficit)]	1.37	(32.33)	(90.66)	(19.54)	(16.25)	(82.10)	(19.39)	3.83	(70.06)	(7.94)	21.42	(65.48)	(30.12)	23.39	(55.12)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(4.59)	(0.32)	–	13.24	3.35	–	(4.25)	(0.61)	–	4.08	2.27	–	7.50	1.28	–
5	Experience Adjustment of Obligation [(Gain)/Loss]	(21.02)	7.75	4.34	(29.41)	2.52	3.27	(18.01)	6.96	0.40	42.69	21.00	9.68	(13.79)	1.82	3.57

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 23.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(vii) Derivative Instruments:

The Group uses forward exchange contracts and currency options to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:

a) Forward exchange contracts outstanding as at year end:

(in Million)

		As at 31st March, 2014		As at 31st March, 2013	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	54.01	222.16	135.97	175.93
Euro	US Dollar	28.60	9.60	75.54	7.91
CHF	US Dollar	0.40	—	2.24	—
GBP	US Dollar	—	3.40	—	0.82
SEK	US Dollar	—	—	4.00	—
JPY	US Dollar	312.36	—	215.65	—
Euro	Indian Rupee	—	—	0.02	—
AUD	US Dollar	—	—	—	0.50
DKK	US Dollar	7.50	—	12.00	—
NOK	US Dollar	1.70	—	1.50	—
USD	Nepalese Rupee	0.82	—	—	—
Euro	Nepalese Rupee	4.41	—	—	—
GBP	Nepalese Rupee	0.11	—	—	—

b) Currency option contracts outstanding as at year end:

(in Million)

		As at 31st March, 2014		As at 31st March, 2013	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	10.00	15.00	—	16.00
JPY	US Dollar	—	—	280.00	—

c) Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise as at year end:

(in Million)

		As at 31st March, 2014			As at 31st March, 2013		
Currency	Cross Currency	Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupee	66.27	63.29	2.98	41.84	40.85	0.99
Euro	Indian Rupee	—	0.85	(0.85)	—	0.16	(0.16)
Euro	US Dollar	4.86	2.76	2.10	5.07	2.88	2.19
GBP	US Dollar	0.82	0.87	(0.05)	2.22	2.22	—
SEK	US Dollar	1.20	—	1.20	1.21	—	1.21
CHF	US Dollar	0.11	—	0.11	—	—	—
SGD	US Dollar	0.50	—	0.50	0.01	—	0.01
CAD	US Dollar	—	0.11	(0.11)	0.08	0.19	(0.11)
AUD	US Dollar	0.27	0.47	(0.20)	0.97	0.55	0.42
DKK	US Dollar	18.47	—	18.47	17.84	—	17.84
HKD	US Dollar	1.16	—	1.16	0.68	—	0.68
LKR	US Dollar	—	—	—	0.05	—	0.05
ZAR	US Dollar	0.94	0.78	0.16	4.54	3.73	0.81
NOK	US Dollar	2.35	—	2.35	4.56	0.79	3.77
JPY	US Dollar	5.46	—	5.46	—	—	—
AED	US Dollar	0.19	0.03	0.16	—	—	—
SAR	US Dollar	0.02	—	0.02	—	—	—
KRW	US Dollar	0.80	—	0.80	—	—	—
US Dollar	Nepalese Rupee	0.10	—	0.10	1.56	—	1.56
Euro	Nepalese Rupee	0.07	—	0.07	13.77	—	13.77
GBP	Nepalese Rupee	—	—	—	0.73	—	0.73
CHF	Nepalese Rupee	0.02	—	0.02	—	—	—

* Figures in brackets indicate open exports. Figures without brackets indicate open imports.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(viii) Statement of information regarding Subsidiary Companies:

(₹ in Crores)

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding Investments made in subsidiaries)	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
Russell Credit Limited	646.48	188.03	836.01	836.01	132.78	65.52	42.20	(7.63)	34.57	65.00@
Greenacre Holdings Limited	42.06	13.45	59.56	59.56	14.55	3.31	1.05	(0.18)	0.87	—
Wimco Limited	68.85	28.78	181.82	181.82	...	183.08	(11.54)	—	(11.54)	—
Pavan Poplar Limited	5.51	(2.92)	2.90	2.90	—	0.96	(4.47)	—	(4.47)	—
Prag Agro Farm Limited	3.80	(11.41)	0.84	0.84	...	0.70	(4.05)	...	(4.05)	—
Srinivasa Resorts Limited	24.00	77.47	119.08	119.08	31.79	53.28	3.96	(0.63)	3.33	1.20
Fortune Park Hotels Limited	0.45	27.09	36.38	36.38	19.53	24.85	8.56	(2.31)	6.25	0.56
Bay Islands Hotels Limited	0.12	12.53	12.86	12.86	1.00	1.62	1.55	(0.52)	1.03	0.08
ITC Infotech India Limited	85.20	255.00	479.37	479.37	54.09	925.90	150.88	(49.67)	101.21	—
ITC Infotech Limited *	6.84	58.72	88.59	88.59	—	252.37	15.67	(3.85)	11.82	20.53@
ITC Infotech (USA), Inc. \$	109.05	(3.44)	184.65	184.65	—	391.92	5.19	(3.61)	1.58	—
Pyxis Solutions, LLC \$	—	11.93	13.60	13.60	—	36.99	2.46	—	2.46	3.00@
Wills Corporation Limited	4.89	4.57	9.74	9.74	—	0.93	0.74	(0.22)	0.52	—
Gold Flake Corporation Limited	16.00	18.33	34.39	34.39	6.01	4.37	4.22	(0.71)	3.51	—
Landbase India Limited	279.00	(90.16)	231.37	231.37	...	12.85	(2.76)	—	(2.76)	—
BFIL Finance Limited	20.00	(58.78)	9.58	9.58	—	0.81	0.61	—	0.61	—
MRR Trading & Investment Company Limited	0.05	(0.04)	0.01	0.01	—	—	—	—	—	—
Surya Nepal Private Limited #	126.00	277.99	782.78	782.78	6.87	1226.75	380.02	(114.33)	265.69	217.98@
King Maker Marketing, Inc. \$	0.02	25.73	44.15	44.15	—	162.01	0.35	0.05	0.40	11.98@
Technico Pty Limited ~	243.25	(159.63)	92.23	92.23	—	13.05	2.42	—	2.42	—
Technico Technologies Inc. ^	6.88	(5.80)	1.95	1.95	—	1.30	0.18	—	0.18	—
Technico Horticultural (Kunming) Co. Limited **	18.32	(4.68)	13.99	13.99	—	4.11	0.06	—	0.06	—
Technico Agri Sciences Limited	37.96	39.83	99.85	99.85	39.11	76.94	14.12	(0.03)	14.09	—
Technico Asia Holdings Pty Limited ~	20.37	(15.01)	5.36	5.36	—	—	—	—	—	—
WelcomHotels Lanka (Private) Limited ***	461.24	(9.12)	452.17	452.17	—	0.22	(7.95)	—	(7.95)	—
ITC Investments & Holdings Limited	4.50	0.47	4.98	4.98	—	0.32	0.31	...	0.31	—
North East Nutrients Private Limited	15.00	(0.36)	14.74	14.74	4.77	0.02	(0.36)	—	(0.36)	—

* Converted into Indian Rupees at the exchange rate, 1GBP = ₹ 99.7650 as on 31.03.2014

\$ Converted into Indian Rupees at the exchange rate, 1USD = ₹ 59.9150 as on 31.03.2014

Converted into Indian Rupees at the exchange rate, 1NR = ₹ 0.6250 as on 14.03.2014

~ Converted into Indian Rupees at the exchange rate, 1AUD = ₹ 55.2975 as on 31.03.2014

^ Converted into Indian Rupees at the exchange rate, 1CAD = ₹ 54.2725 as on 31.03.2014

** Converted into Indian Rupees at the exchange rate, 1RMB = ₹ 9.6357 as on 31.03.2014

*** Converted into Indian Rupees at the exchange rate, 1LKR = ₹ 0.4582 as on 31.03.2014

@ Dividend paid during the year

Notes:

- The aforesaid data has been extracted from the financial statements of the subsidiaries which have been drawn upto 31st March, 2014 other than Surya Nepal Private Limited where it is upto 14th March, 2014.
 - Pyxis Solutions, LLC is a New York Limited Liability Company and does not have any share capital. ITC Infotech (USA), Inc., holds 100% membership interest of Pyxis Solutions, LLC.
 - The Subsidiary not considered in the preparation of the above statement is ITC Global Holdings Pte. Limited, Singapore, (ITC Global) a wholly owned subsidiary of ITC Limited, which is under liquidation vide Singapore High Court's Order dated 30th November, 2007. Prior to this, ITC Global was under Judicial Management in terms of an Interim Order passed by the Singapore High Court on 8th November, 1996, and confirmed by the Singapore High Court on 6th December, 1996.
 - Turnover includes Other income and Other operating revenue.
- (ix) Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required, based on a favourable High Court Order (Refer Notes 24 and 25). Segment Results of FMCG-Cigarettes and Finance Costs include the effects of such write back (Refer Note 29).
- (x) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes to the Consolidated Financial Statements

29. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	External Sales	2014 Inter Segment Sales	Total	External Sales	2013 Inter Segment Sales	Total
1. Segment Revenue						
FMCG – Cigarettes	30417.58	–	30417.58	27136.12	–	27136.12
FMCG – Others	8128.77	12.17	8140.94	7028.18	9.53	7037.71
FMCG – Total	38546.35	12.17	38558.52	34164.30	9.53	34173.83
Hotels	1185.56	12.35	1197.91	1125.86	13.03	1138.89
Agri Business	5013.12	2738.93	7752.05	4922.49	2278.24	7200.73
Paperboards, Paper and Packaging	3194.15	1971.89	5166.04	2665.89	1838.48	4504.37
Others	1308.10	247.28	1555.38	1042.22	203.74	1245.96
Segment Total	49247.28	4982.62	54229.90	43920.76	4343.02	48263.78
Eliminations			(4982.62)			(4343.02)
Gross Revenue from sale of products and services			49247.28			43920.76
2. Segment Results						
FMCG – Cigarettes [Refer Note 28(ix)]			10419.38			8694.42
FMCG – Others			11.96			(88.90)
FMCG – Total			10431.34			8605.52
Hotels			145.55			149.29
Agri Business			834.78			731.28
Paperboards, Paper and Packaging			892.46			963.95
Others			181.12			136.32
Segment Total			12485.25			10586.36
Eliminations			(115.70)			(137.41)
Consolidated Total			12369.55			10448.95
Unallocated corporate expenses net of unallocated income			248.27			113.48
Profit before Interest etc. and taxation			12121.28			10335.47
Finance costs [Refer Note 28(ix)]			6.37			87.18
Interest earned on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc. - Net			936.64			857.36
Profit before tax			13051.55			11105.65
Tax expense			4060.93			3412.07
Profit after tax before share of results of associates and minority interests			8990.62			7693.58
Share of net profit of associates			10.57			10.87
Profit after tax before Minority Interests			9001.19			7704.45
3. Other Information						
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG - Cigarettes	8416.95	2189.23		7240.69	1958.81	
FMCG - Others	4258.63	839.52		3277.88	727.64	
FMCG - Total	12675.58	3028.75		10518.57	2686.45	
Hotels	4531.28	305.53		4309.68	297.38	
Agri Business	2908.61	732.13		1906.16	506.80	
Paperboards, Paper and Packaging	5857.48	544.40		5462.31	509.18	
Others	929.95	262.76		821.01	240.07	
Segment Total	26902.90	4873.57		23017.73	4239.88	
Unallocated Corporate Assets/Liabilities	14427.10	9016.44		12839.92	8279.98	
Total	41330.00	13890.01		35857.65	12519.86	
	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	1021.27	275.06	0.22	574.69	258.84	6.56
FMCG - Others	465.67	145.58	11.75	366.40	128.99	10.94
FMCG - Total	1486.94	420.64	11.97	941.09	387.83	17.50
Hotels	297.60	128.46	5.14	818.85	105.58	4.39
Agri Business	84.35	37.63	1.77	90.45	33.44	1.28
Paperboards, Paper and Packaging	662.90	295.28	15.46	690.31	260.20	9.58
Others	73.87	38.52	25.27	82.91	31.49	11.48
Segment Total	2605.66	920.53	59.61	2623.61	818.54	44.23

* Segment Liabilities of FMCG – Cigarettes is before considering ₹ 667.98 Crores (2013 – ₹ 840.55 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Notes to the Consolidated Financial Statements

29. Segment Reporting (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(₹ in Crores)

	2014	2013
1. Segment Revenue		
– Within India	42899.39	38559.42
– Outside India	6347.89	5361.34
Total	49247.28	43920.76
2. Segment Assets		
– Within India	25477.33	22042.15
– Outside India	1425.57	975.58
Total	26902.90	23017.73
3. Capital Expenditure		
– Within India	2376.74	2175.55
– Outside India	228.92	448.06
Total	2605.66	2623.61

NOTES:

- ITC Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups: FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The business groups comprise the following:
 - FMCG : Cigarettes – Cigarettes, Cigars, Smoking Mixtures etc.
 - : Others – Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
 - Hotels – Hoteliering.
 - Paperboards, Paper and Packaging – Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
 - Agri Business – Agri commodities such as soya, spices, coffee and leaf tobacco.
 - Others – Information Technology services, Filter Rods, etc.
- The Group companies and joint ventures have been included in segment classification as follows:
 - FMCG : Cigarettes – Surya Nepal Private Limited and King Maker Marketing, Inc.
 - : Others – Surya Nepal Private Limited, Wimco Limited and North East Nutrients Private Limited.
 - Hotels – Srinivasa Resorts Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited, WelcomHotels Lanka (Private) Limited and joint ventures Maharaja Heritage Resorts Limited, Espirit Hotels Private Limited and Logix Developers Private Limited.
 - Others – ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Pyxis Solutions, LLC, Russell Credit Limited and its subsidiary Greenacre Holdings Limited, Wimco Limited and its subsidiaries Pavan Poplar Limited and Prag Agro Farm Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., along with its jointly controlled operation with Shamrock Seed Potato Farm Limited, Technico Agri Sciences Limited, Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited, BFIL Finance Limited and its subsidiary MRR Trading & Investment Company Limited, ITC Investments & Holdings Limited, Landbase India Limited, Wills Corporation Limited, Gold Flake Corporation Limited and its joint venture ITC Essentra Limited (formerly known as ITC Filtrona Limited).
- The geographical segments considered for disclosure are:
 - Sales within India
 - Sales outside India
- Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- The Group's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.

Notes to the Consolidated Financial Statements

30. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS:

Entities, other than subsidiaries, under the control of the Group:

- ITC Sangeet Research Academy
- ITC Education Trust
- ITC Rural Development Trust

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:

i) Associates & Joint Ventures:

Associates

- Gujarat Hotels Limited
- Russell Investments Limited
- ATC Limited
- Classic Infrastructure & Development Limited
- International Travel House Limited
- Divya Management Limited
- Antrang Finance Limited
 - being associates of the Group
- Tobacco Manufacturers (India) Limited, UK
 - of which the Company is an associate

Joint Ventures

- Maharaja Heritage Resorts Limited
- ITC Essentra Limited
(formerly known as ITC Filtrona Limited)
- Espirit Hotels Private Limited
- Logix Developers Private Limited

ii) a) Key Management Personnel (KMP):

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhobale	Executive Director
K. N. Grant	Executive Director
A. Baijal	Non-Executive Director
S. Banerjee	Non-Executive Director (upto 26.03.2014)
S. H. Khan	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director
R. Lerwill	Non-Executive Director (w.e.f. 18.11.2013)
S. B. Mathur	Non-Executive Director
D. K. Mehrotra	Non-Executive Director (upto 27.10.2013)
H. G. Powell	Non-Executive Director (upto 30.07.2013)
P. B. Ramanujam	Non-Executive Director

S. S. H. Rehman	Non-Executive Director
A. Ruys	Non-Executive Director
B. Sen	Non-Executive Director (upto 27.08.2013)
M. Shankar	Non-Executive Director
K. Vaidyanath	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director (upto 27.08.2013)

Members - Corporate Management Committee

B. B. Chatterjee

A. Nayak

T. V. Ramaswamy

S. Sivakumar

K. S. Suresh

R. Tandon

b) Relatives of Key Management Personnel:

Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)

Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)

iii) Employee Trusts where there is significant influence:

- IATC Provident Fund
- IATC Staff X Provident Fund
- ITC Defined Contribution Pension Fund
- ITC Management Staff Gratuity Fund
- ITC Employees Gratuity Fund
- ITC Gratuity Fund 'C'
- ITC Pension Fund
- ILTD Seasonal Employees Pension Fund
- ITC Platinum Jubilee Pension Fund
- Tribeni Tissues Limited Gratuity Fund
- ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- ITC Hotels Limited Employees Superannuation Scheme
- Greenacre Holdings Limited Provident Fund
- Greenacre Holdings Limited Gratuity Fund

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2014

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		Enterprises where control exists		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1.	Sale of Goods/Services	—	0.01	2.26	1.87	8.12	7.68							10.38	9.56
2.	Purchase of Goods/Services			114.59	108.93	272.22	226.91							386.81	335.84
3.	Sale of Fixed Assets/Scraps			0.88	0.44									0.88	0.44
4.	Acquisition of Investment					1.24	—							1.24	—
5.	Interest Income			0.77	0.87			0.12	0.07					0.89	0.94
6.	Remuneration to Key Management Personnel														
	- Directors*							23.38	16.60					23.38	16.60
	- Others							8.31	6.86					8.31	6.86
7.	Rent Received			0.56	0.52									0.56	0.52
8.	Rent Paid			3.37	3.67			0.04	0.04	0.61	0.63			4.02	4.34
9.	Remuneration of Managers on Deputation Reimbursed			3.66	3.47									3.66	3.47
10.	Remuneration of Managers on Deputation Recovered			4.32	3.48	1.18	1.08							5.50	4.56
11.	Donation	—	1.70											—	1.70
12.	Contributions to Employees' Benefit Plans											101.75	91.13	101.75	91.13
13.	Dividend Income			2.27	2.23	2.02	2.02							4.29	4.25
14.	Dividend Payments			1042.42	893.50			4.35	3.75					1046.77	897.25
15.	Expenses Recovered	0.02	...	0.84	1.33	0.40	0.36							1.26	1.69
16.	Expenses Reimbursed	0.03	0.06	1.15	4.70	0.17	0.30							1.35	5.06
17.	Loans Given			—	7.00									—	7.00
18.	Receipt towards Loan Repayment			1.40	—			0.27	0.17					1.67	0.17
19.	Advances Given during the year			0.02	—									0.02	—
20.	Deposit Received during the year			0.01	0.02									0.01	0.02
21.	Deposits Given during the year							0.01	—	—	0.03			0.01	0.03
22.	Adjustment/Receipt towards Refund of Deposit									0.02	—			0.02	—
23.	Balances as at 31st March														
	i) Receivables			1.01	1.21	3.44	3.92							4.45	5.13
	ii) Advances Given			0.02	—							11.90	—	11.92	—
	iii) Loans Given			5.60	7.00			—	0.27					5.60	7.27
	iv) Deposits Given			0.10	0.10			0.05	0.04	0.30	0.32			0.45	0.46
	v) Deposits Taken			0.67	0.66									0.67	0.66
	vi) Payables			9.95	8.87	2.22	2.07					42.89	35.24	55.06	46.18
24.	In addition, Remuneration of Managers on Deputation, absorbed	0.19	0.17											0.19	0.17

*includes ₹ 21.21 Crores (2013 - ₹ 0.06 Crore) attributable to remuneration of Directors which is subject to approval by the Company in General Meeting.

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES (Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY		2014	2013	RELATED PARTY TRANSACTIONS SUMMARY		2014	2013
1. Sale of Goods/Services	International Travel House Limited	2.19	1.82	11. Donation	ITC Rural Development Trust	—	1.50
	ITC Essentra Limited	7.98	7.66		ITC Sangeet Research Academy	—	0.20
2. Purchase of Goods/Services	International Travel House Limited	92.30	87.59	12. Contribution to Employees' Benefit Plans	IATC Provident Fund	23.44	18.66
	ITC Essentra Limited	272.14	226.72		ITC Defined Contribution Pension Fund	13.14	9.65
					ITC Pension Fund	47.12	50.67
3. Sale of Fixed Assets/Scraps	ATC Limited	0.88	0.44	13. Dividend Income	Gujarat Hotels Limited	0.61	0.57
					International Travel House Limited	1.66	1.66
4. Acquisition of Investment	Logix Developers Private Limited	1.24	—	14. Dividend Payments	ITC Essentra Limited	2.02	2.02
					Tobacco Manufacturers (India) Limited, UK	1042.42	893.50
5. Interest Income	ATC Limited	0.77	0.87	15. Expenses Recovered	Gujarat Hotels Limited	0.33	0.72
					International Travel House Limited	0.49	0.59
6. Remuneration to Key Management Personnel- Directors & Others	Mr. Y. C. Deveshwar	13.68	9.93		Maharaja Heritage Resorts Limited	0.31	0.32
7. Rent Received	International Travel House Limited	0.56	0.51	16. Expenses Reimbursed	Gujarat Hotels Limited	0.54	0.63
					International Travel House Limited	0.39	3.77
8. Rent Paid	Gujarat Hotels Limited	3.37	3.67		ATC Limited	0.22	0.29
	Mrs. B. Deveshwar	0.60	0.60	17. Loans Given	ATC Limited	—	7.00
9. Remuneration of Managers on Deputation Reimbursed	Gujarat Hotels Limited	3.42	3.22		Mr. B. B. Chatterjee	—	0.15
				18. Receipt towards Loan Repayment	ATC Limited	1.40	—
10. Remuneration of Managers on Deputation Recovered	International Travel House Limited	1.18	0.93		Advances Given during the year	0.02	—
	ATC Limited	3.14	2.55	19. Advances Given during the year	International Travel House Limited	—	—
	Maharaja Heritage Resorts Limited	0.83	0.77				

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		2014	2013
20. Deposit Received during the year	International Travel House Limited	0.01	0.02
21. Deposits Given during the year	Mr. Y. C. Deveshwar	0.01	—
	Mrs. B. Deveshwar	—	0.03
22. Adjustment/Receipt towards Refund of Deposit	Mrs. S. Chatterjee	0.02	—
23. Balances as at 31st March			
i) Receivables	ATC Limited	0.75	0.73
	Maharaja Heritage Resorts Limited	3.44	3.74
ii) Advances Given	Employee Trust - Pension Funds	11.90	—
iii) Loans Given	ATC Limited	5.60	7.00
iv) Deposits Given	Mrs. B. Deveshwar	0.30	0.30
	Classic Infrastructure & Development Limited	0.10	0.10
v) Deposits Taken	International Travel House Limited	0.67	0.66
vi) Payables	Employee Trust - Pension Funds	10.54	19.54
	Employee Trust - Gratuity Funds	32.35	15.70
24. In addition, Remuneration of Managers on Deputation, absorbed	International Travel House Limited	7.48	7.77
	ITC Sangeet Research Academy	0.19	0.17

Notes to the Consolidated Financial Statements

31. Significant Accounting Policies

IT IS GROUP CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Basis of Consolidation

To prepare Consolidated Financial Statements (CFS) in accordance with Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements", Accounting Standard - 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard - 27 (AS 27) on "Financial Reporting of Interests in Joint Ventures" as notified.

In case of subsidiaries, line by line consolidation of the Statement of Profit and Loss and Balance Sheet is done by aggregating like items of assets, liabilities, income and expenses. The excess/deficit of the cost of its investments in its subsidiaries over its share of net worth of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill/capital reserve in the CFS. The goodwill is disclosed as an asset and capital reserve as a reserve in the Consolidated Balance Sheet. Minority interest in the net income (profit after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet. Inter-Company transactions within the Group (both Profit and Loss and Balance Sheet items) are eliminated for arriving at the CFS of the Group.

On acquisition of an associate, the goodwill/capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately. Only share of net profits/losses of associates is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in associates is adjusted by the share of net profits/losses in the Consolidated Balance Sheet.

Interests in jointly controlled entities (incorporated Joint Ventures) are reported using proportionate consolidation method in the CFS.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalize software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation/enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual instalments. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

Revaluation of Assets

As and when Fixed Assets are revalued, to adjust the provision for depreciation on such revalued Fixed Assets, where applicable, in order to make allowance for consequent additional diminution in value on considerations of age, condition and unexpired useful life of such Fixed Assets; to transfer to Revaluation Reserve the difference between the written up value of the Fixed Assets revalued and depreciation adjustment and to charge Revaluation Reserve Account with annual depreciation on that portion of the value which is written up.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, other than associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Goodwill on Consolidation

To state goodwill arising on consolidation at cost, and to recognise, where applicable, any impairment.

Inventories

To state inventories including work-in-progress at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue from sale of products and services

To recognise Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales tax/ Value added tax recovered from customers but including excise duty on goods payable by the Group. Net Revenue is stated after deducting such excise duty.

Notes to the Consolidated Financial Statements

31. Significant Accounting Policies (Contd.)

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account of the parent as proposed by the Directors, pending approval at the Annual General Meeting.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid / payable amounts are charged against revenue including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard - 15 (AS 15) on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in the Statement of Profit and Loss as income or expense.

To charge against revenue, actual disbursements made, when due, under the Workers' Voluntary Retirement Scheme.

Lease Rentals

To charge Rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

To recognise rental income on assets given on operating lease on an accrual basis over the lease term in the Statement of Profit and Loss.

Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred.

Capital expenditure on Research and Development is included under Tangible Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognised in the Statement of Profit and Loss.

To account for differences between the forward exchange rates and the exchange rates at the inception of forward exchange contracts (other than those designated as cash flow hedges), as income or expense over the life of the contracts.

To account for gains/losses arising on cancellation or renewal of forward exchange contracts (other than those designated as cash flow hedges) as income/expense for the period.

To apply the principles of hedge accounting as set out in Accounting Standard - 30 "Financial Instruments: Recognition and Measurement" to those forward exchange contracts and currency options that are designated as cash flow hedges and, accordingly, to account for the changes in the fair value of such contracts, to the extent that they are effective, directly in the Hedging Reserve Account, and to take the ineffective portion to the Statement of Profit and Loss. To recognise in the Statement of Profit and Loss the balance in the Hedging Reserve Account when the hedged item affects the profit or loss.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of forward exchange contracts and currency options, other than those designated as cash flow hedges, as at the Balance Sheet date, and to ignore the net gain, if any.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets/liabilities and income/expenses in a foreign currency translation reserve.

Claims

To disclose claims against the Group not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, provide financial and cost information appropriate to the businesses and facilitate Internal Control.

On behalf of the Board

P. V. DHOBAL *Director* Y. C. DEVESHWAR *Chairman*
R. TANDON *Chief Financial Officer* B. B. CHATTERJEE *Company Secretary*

New Delhi
23rd May, 2014

Independent Auditors' Report

to the Board of Directors of ITC Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **ITC LIMITED** (the "Company") and its subsidiaries (the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management,

as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint ventures and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect the Group's share of total assets of ₹ 1860.81 Crores as at 31st March, 2014, and the Group's share of total revenues of ₹ 1558.29 Crores for the year ended on that date, and net cash inflows amounting to ₹ 12.08 Crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit up to 31st March, 2014 of ₹ 73.09 Crores and the Group's share of profit of ₹ 10.57 Crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 302009E)

New Delhi
23rd May, 2014

P. R. Ramesh
Partner
(Membership No. 70928)

Ten Years at a Glance

Standalone Operating Results 2005 - 2014

(₹ in Crores)

Year ending 31st March	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GROSS INCOME	13542	16448	19557	21879	23594	26814	31399	36046	43044	48176
Excise Duties	5667	6371	7056	7320	7447	8046	9360	10073	12204	13830
Net Income	7875	10077	12501	14559	16147	18768	22039	25973	30840	34346
PBDIT	3028	3613	4293	5015	5393	6689	7993	9674	11566	13562
Depreciation	313	332	363	439	549	609	656	699	795	900
PBIT	2715	3281	3930	4576	4844	6080	7337	8975	10771	12662
PBT	2673	3269	3927	4572	4826	6015	7268	8898	10684	12659
Tax	836	989	1227	1452	1562	1954	2280	2736	3266	3874
PAT (Before Exceptional Items)	1837	2280	2700	3120	3264	4061	4988	6162	7418	8785
PAT	2191	2235	2700	3120	3264	4061	4988	6162	7418	8785
Dividends *	883	1135	1365	1543	1634	4453	4002	4089	4853	5583
- Ordinary Dividend	883	1135	1365	1543	1634	2004	2518	4089	4853	5583
- Special Dividend						2449	1484			
Earnings Per Share on profit after tax before exceptional items										
Actual (₹) **	7.36	6.07	7.18	8.28	8.65	10.64	6.45	7.88	9.39	11.05
Adjusted (₹) @	2.43	3.01	3.56	4.11	4.29	5.31	6.45	7.88	9.39	11.05
Dividend Per Share										
Actual - Ordinary (₹) **	3.10	2.65	3.10	3.50	3.70	4.50	2.80	4.50	5.25	6.00
Actual - Special (₹) **						5.50	1.65			
Adjusted - Ordinary (₹) @	1.02	1.31	1.54	1.74	1.84	2.25	2.80	4.50	5.25	6.00
Adjusted - Special (₹) @						2.75	1.65			
Market Capitalisation ***	33433	73207	56583	77765	69751	100476	140408	177360	244245	280708
Foreign Exchange Earnings	1269	1794	2283	2168	2226	2354	2732	2621	3807	4290

* Including Dividend Distribution Tax.

** Based on number of shares outstanding at the year end; reflects the impact of Corporate Actions and normalised for impact of 1:10 Stock Split effected in 2006.

*** Based on year end closing prices, quoted on the Bombay Stock Exchange.

@ To facilitate like to like comparison, adjusted for impact of Corporate Actions.

During the above 10 year period, the following Corporate Actions took place:

2006 – 1 : 2 Bonus Issue

2011 – 1 : 1 Bonus Issue

Standalone Equity, Liabilities and Assets 2005 - 2014

(₹ in Crores)

Year Ending 31st March	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity										
Share capital	249	375	376	377	378	382	774	782	790	795
Reserves and surplus	7646	8686	10061	11681	13357	13682	15179	18010	21498	25467
Shareholders' funds	7895	9061	10437	12058	13735	14064	15953	18792	22288	26262
Non-current liabilities										
Long-term borrowings	76	86	94	91	91	92	87	77	66	51
Deferred tax liabilities (Net)	376	325	473	545	867	785	802	873	1204	1297
Other Long-term liabilities	50	50	86	90	95	45	115	120	129	115
Current liabilities										
Short-term borrowings	169	26	77	92	62		2	2		...
Proposed dividend (including tax)	882	1135	1364	1543	1634	4452	4002	4089	4853	5583
Current liabilities (others)	2102	2401	2437	2830	3000	3567	4473	5035	5477	5921
Total Equity and Liabilities	11550	13084	14968	17249	19484	23005	25434	28988	34017	39229
Non-current assets										
Fixed assets (Gross)	5932	6470	8000	10087	11773	12977	14099	16421	18432	20841
Accumulated Depreciation	1796	2065	2390	2791	3287	3825	4421	5045	5735	6532
Fixed Assets (Net)	4136	4405	5610	7296	8486	9152	9678	11376	12697	14309
Non-current investments	785	784	835	846	892	1357	1563	1953	2001	2512
Long-term loans and advances	503	568	703	859	1117	882	1146	1196	1728	1480
Current assets										
Current investments	3089	2733	2232	2089	1945	4370	3991	4363	5059	6311
Cash and bank balances	56	856	900	570	1031	1126	2243	2819	3615	3289
Current assets (others)	2981	3738	4688	5589	6013	6118	6813	7281	8917	11328
Total Assets	11550	13084	14968	17249	19484	23005	25434	28988	34017	39229
Net Worth Per Share (₹) *	10.55	12.07	13.87	16.00	18.20	18.42	20.62	24.04	28.21	33.02

* To facilitate like to like comparison, adjusted for 1:10 Stock Split, 1:2 Bonus Issue in 2006 and 1:1 Bonus Issue in 2011.

Equity includes impact of :

2006 – 1,21,27,470 Ordinary Shares of ₹ 1.00 each, fully paid, issued pursuant to Scheme of Amalgamation of erstwhile ITC Hotels Limited and Ansal Hotels Limited with the Company.
– 1 : 2 Bonus Issue (₹ 125 Crores).

2011 – 1 : 1 Bonus Issue (₹ 383 Crores).

Note : Figures for the periods prior to 2011 have been broadly re-classified/re-arranged/re-grouped, wherever material, as per revised Schedule VI to the Companies Act, 1956 in order to facilitate like to like comparison.